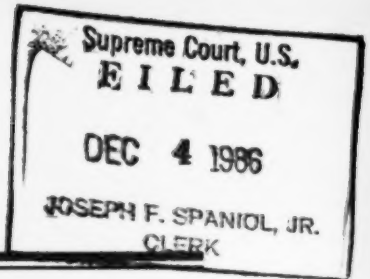


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No. \_\_\_\_\_

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IN THE  
**Supreme Court of the United States**  
OCTOBER TERM, 1986

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ROBERT W. HEINEMANN

*Petitioner,*

v.

UNITED STATES

*Respondent.*

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**PETITION FOR WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

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## QUESTIONS PRESENTED

1. Is Executive Order No. 10096, *which affects the private property rights of Federal employee inventors*, unconstitutional?

A. Whether Congress has, under its powers vested under Article I, Section 8, Clause 8 of the Constitution, granted the President authority, pursuant to 5 U.S.C. Sections 301, 3301 or 7301, to take the property rights of Federal employee inventors?

B. Whether the history of and practice under Executive Order No. 10096 supports a finding of congressional acquiescence under a literal interpretation of the Order or, rather, a finding of congressional acquiescence in the hitherto prevailing interpretation that the Order authorizes no more than common law warrants?

C. Whether the President can take property of Federal employees under Executive Order No. 10096, in an adverse, discretionary, administrative proceeding, wherein the burden of proof is shifted to the property owner?

2. Does due process of law under the Fifth Amendment require a de novo judicial review where private property is taken under an Executive Order which permits the Executive to establish its own criteria and procedures and then to be the adjudicator of its own proofs?

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IN THE  
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No.

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ROBERT W. HEINEMANN

*Petitioner,*

v.

UNITED STATES

*Respondent.*

---

**PETITION FOR WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT**

---

The Petitioner, Robert W. Heinemann, respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Federal Circuit, entered on July 17, 1986.

**OPINION BELOW**

The opinion of the Court of Appeals, thus far reported at 230 USPQ 430, is reproduced at App. 1a.

**JURISDICTION**

On July 17, 1986, the Court of Appeals entered judgment (App. at 12a) denying Petitioner's Motion for Partial Summary Judgment, and affirmed Respondent's Motion to Dismiss the Suit (App. at 1a).

On September 12, 1986, the Court of Appeals denied a Petition for Rehearing. (App. at 13a)

On September 24, 1986, the Court of Appeals declined a Suggestion for Rehearing En Banc. (App. at 14a)

The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254(1).

### **CONSTITUTIONAL PROVISION AND AMENDMENT**

Article I, Section 8, Clause 8 of the Constitution:

The Congress shall have the power...to promote the progress of science and useful arts by securing for limited times to...inventors the exclusive right to their...discoveries;

United States Constitution, Amendment V:

No person shall be ... deprived of life, liberty or property, without due process of law ...;

### **STATUTES**

United States Code, Title 5

#### **§ 301. Departmental Regulations**

The head of an Executive department or military department may prescribe regulations for the government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers and property. This section does not authorize withholding information from the public or limiting the availability of records to the public.



**§ 3301.**

The President may -

(1) prescribe such regulations for the admission of individuals into the civil service in the executive branch as will best promote the efficiency of the service;

(2) ascertain the fitness of applicants as to age, health, character, knowledge, and ability for the employment sought; and

(3) appoint and prescribe the duties of individuals to make the inquiries for the purposes of this section.

**§ 7301.**

The President may prescribe regulations for the conduct of employees in the executive branch.

United States Code, Title 28

**§ 1498. Patent and copyright cases**

(a) Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the United States Claims Court for the recovery of his reasonable and entire compensation for such use and manufacture. . . .

A Government employee shall have the right to bring suit against the Government under this section except where he was in a position to order, influence, or induce use of the invention by the Government. This section shall not confer a right of action on any patentee or any assignee of such patentee with re-

spect to any invention discovered or invented by a person while in the employment or service of the United States, where the invention was related to the official functions of the employee, in cases in which such functions included research and development, or in the making of which Government time, materials or facilities were used.

United States Code, Title 35

**§ 154. Contents and term of patent**

Every patent shall contain a short title of the invention and a grant to the patentee . . . for the term of seventeen years . . . of the right to exclude others from making, using, or selling the invention throughout the United States, referring to the specification for the particulars thereof.

**§ 261. Ownership; assignment**

Subject to the provisions of this title, patents shall have the attributes of personal property.

Applications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing.

**EXECUTIVE ORDERS**

Executive Order No. 10096, 15 Fed. Reg. 389 (1950), codified at 37 C.F.R. Section 100, 1984 (App. at 66a).

Executive Order No. 10930, Mar. 28, 1961, 26 F.R. 2583 (App. at 73a).

**STATEMENT OF THE CASE**

Petitioner made an invention entirely on his own time and without any Government contribution. Fur-

ther, the Petitioner was not hired to invent, nor hired to do research, nor was the invention the set goal of a specific assigned task. In addition, Petitioner did not enter into an express agreement or contract with the Government regarding the entitlement of patent property rights. Under these circumstances, Petitioner under common law would have been entitled to all right, title and interest in and to the property rights of any patented invention.

Petitioner, whose invention involves a military weapon system, was advised mistakenly that he must assign his invention property rights to the Government. In 1972, Petitioner assigned his invention property rights to the Government. U.S. Patent No. 4,050,381 covering his invention issued on September 27, 1977.

After discovering that he had been misled regarding the assignment, Petitioner sued the Government in 1979 under 28 U.S.C. Section 1498 and the Fifth Amendment. In 1984, the Claims Court vacated Petitioner's assignment to the Government and, contrary to Petitioner's wishes, remanded to the Department of the Army (Army) for the invention property rights to be administratively determined under Executive Order No. 10096.

Executive Order No. 10096, issued by President Truman in 1950, provides substantive criteria and procedures under which the patent property rights are to be allocated between the United States Government and the Federal employee inventors. These criteria and procedures, however, are much more sweeping than would be the case under the common law. Notwithstanding the more sweeping procedures and criteria for taking a Federal employee's property

under the Order, the Order was consistently implemented in accordance with common law for approximately 35 years.

The decision, however, rendered in Petitioner's case followed the strict, literal interpretation of the Order: (1) using a presumption of assignability raised by the duties of the inventor; (2) placing the burden of proof on the employee property owner to overcome the presumption of assignability; (3) failing to consider all the facts of the case; (4) omitting a requirement that the Government prove ownership; and (5) making a decision without finding the required "direct relationship" between the invention and the inventor's duties. These procedures used in Petitioner's case do not comport with common law.

The Court of Appeals' decision found that Executive Order No. 10096 was constitutional since it was supported by statutory authority and because of congressional acquiescence.

The Court of Appeals' decision also did not find a need for a de novo judicial review of the administrative decision made under the Order in order to satisfy due process under the Fifth Amendment.

### **PROCEEDINGS BELOW**

Petitioner brought suit in the United States Court of Claims (Claims Court) on May 15, 1979 requesting compensation for the taking and use of his patent property rights. The suit was allowed on April 16, 1980 under 28 U.S.C. Section 1498 and the Fifth Amendment (App. at 57a). The case was bifurcated by a decision of the Claims Court in January 30, 1981 to try the ownership issue first (App. at 53a).

At the outset of the trial, both parties to the suit were given the opportunity by the Court to have the determination of rights conducted under Executive Order No. 10096 (App. at 66a), as amended by Executive Order No. 10930 (App. at 73a) in an administrative determination prior to trial. Both parties declined, stating that they preferred to have the ownership issue resolved by trial. The Court agreed and the trial was held on September 21-23, 1982.

On March 1, 1984, a decision was reached by the Claims Court vacating the assignment, since it had been obtained improperly (App. at 39a). However, instead of deciding the ownership question, the Claims Court remanded the case to have the ownership issue determined by the Administrative agencies in accordance with Executive Order No. 10096. Both parties to the suit were ordered to report back to the Claims Court on the progress thereof (App. at 39a). The Army complied using the criteria of the Order. The Army determination raised the presumption of ownership, shifted the burden of proof to the property owner—Petitioner, and concluded that Petitioner failed to rebut the presumption. Thus, the Army determined on July 23, 1984 that the invention was directly related to Petitioner's duties and that the Government was entitled to the Petitioner's patent property rights (App. at 36a).

Petitioner appealed the Army determination to the Commissioner of Patents and Trademarks (Commissioner) and the Commissioner affirmed the determination of the Army on November 30, 1984 (App. at 32a). Petitioner filed a Petition for Reconsideration of the Commissioner's decision, with the Commis-

sioner affirming his earlier decisions on March 1, 1985 (App. at 29a).

The parties reported back to the Claims Court which ordered on April 10, 1985 that the issue be resolved by cross motions for summary judgment (App. at 28a). Both parties filed motions. The Court held a Hearing on July 11, 1985 and decided in the Hearing to affirm the decision of the Commissioner. But in making the decision, *the Claims Court expressed doubts and reservations about the propriety of the remand to the Army (App. at 18a), the constitutionality of Executive Order No. 10096 and the propriety of the procedure regarding the burden of proof under the Order (App. at 18a and 21a), and strongly suggested that the Claims Court decision be appealed (App. at 26a-27a).*

The Claims Court's decision, affirming the Commissioner's decision was published on July 12, 1985 (App. at 15a). Petitioner appealed to the United States Court of Appeals for the Federal Circuit which heard the case and issued its Judgment (App. at 12a) and decision on July 17, 1986 upholding the Claims Court's decision and finding Executive Order No. 10096 to be constitutional, based upon statutory authority and congressional acquiescence, and denied Petitioner a de novo review under the Fifth Amendment (App. at 1a).

Petitioner filed a Petition for Rehearing which the Court of Appeals denied on September 12, 1986 (App. at 13a). The Court of Appeals also considered a Suggestion for Rehearing En Banc which the Court declined on September 24, 1986 (App. at 14a).



## REASONS FOR GRANTING THE PETITION

- I. **The Court of Appeals' Decision Improperly Relies Upon Mere "Housekeeping Statutes," Viz. 5 U.S.C. 301, 3301, And 7301, As Congressional Sanction For Executive Order No. 10096 To Take Private Property, And Thereby Permits The President To Usurp The Requisite Congressional Action Under Article I, Section 8, Clause 8 Of The Constitution.**

Article I, Section 8, Clause 8 of the Constitution, at page 2, does not give the President the authority to promulgate an Order providing for ownership of patent property. Such authority exists only with Congress.

In its consideration of the statutory authority for the President to issue Executive Order No. 10096, the Court of Appeals recognized this Court's holding in the "landmark" decision of *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 53 S. Ct 554 (1933) and noted that: "The Supreme Court held that the common law of inventor rights was controlling, in the absence of any authority for the Court or the Administrative officers to determine otherwise" (App. at 8a-9a). In *Dubilier*, this Court pointed to Congress as the appropriate branch of Government for establishing policy in taking title to patent property rights of Federal employee inventors (228 U.S. at 197-199 and 208-209, 53 S. Ct. at 561 and 565).

The decision then relied on Sections 301, 3301, and 7301 of Title 5 of the United States Code as Presidential authority to issue the Order.

- A. The first statute relied upon, 5 U.S.C. Section 301, at page 2, grants the "head of an Executive department or military department" certain house-

keeping authorities. At the outset, it is not clear whether under a strict construction of this statute, the President has *any* authority under Section 301. However, if the President has authority under 5 U.S.C. Section 301, it does not include authority to issue Executive Order No. 10096 to take private property.

As early as 1913, in *United States v. George*, 228 U.S. 14, 33 S. Ct. 412 (1913), this Court held an antecedent statute of Section 301, in existence 37 years prior to the issuance of the Order, conferred administrative power only<sup>1</sup>. Subsequently, Mr. Justice Rehnquist, in *Chrysler Corp. v. Brown*, 441 U.S. 281, 99 S.Ct. 1705 (1979) analyzed the legislative authority for a regulation issued pursuant to Executive Order No. 11246. In the Court's consideration of the legislative authority for issuing the regulation, the Court considered 5 U.S.C. Section 301 and found it to be a "housekeeping statute."<sup>2</sup>

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<sup>1</sup> In discussing an antecedent of Section 301 of Title 5 of the United States Code, a virtually identical statute, namely, Section 161 of U.S. Comp. Stat. 1901, p. 80, this Court stated: "We insert the sections in the margin . . . and certainly under the guise of regulations legislation cannot be exercised." (228 U.S. at 20, 33 S. Ct. at 414).

<sup>2</sup> "The antecedents of §301 go back to the beginning of the Republic, when statutes were enacted to give heads of early Government departments authority to govern internal departmental affairs. Those laws were consolidated into one statute in 1874 and the current version of the statute was enacted in 1958. Given the long and relatively uncontroversial history, and the terms of the statute itself, it seems to be simply a grant of authority to the agency to regulate its own affairs." (441 U.S. at 309; 99 S. Ct. at 1721). In addition, the Court again referring to Section 301 held that, "The logical corollary to this obser-



Finally, it is noted that Section 301 of Title 5 of the United States Code only addresses "its property" *already owned* by the Government. However, pursuant to Section 154 of Title 35 of the United States Code, at page 4, the property rights to a patent vest in the patentee-employee, and not the employer.

B. The second statute relied upon by the Court of Appeals is 5 U.S.C. Section 3301, at page 3. The pertinent portion of Section 3301 is subparagraph (1) thereof which grants the President the authority to "prescribe such regulations for the *admission* of individuals into the *civil service* in the Executive branch as will best promote the *efficiency* of the service" (emphasis).

A strict construction of Section 3301 at most would simply grant the President the authority to hire or admit into government service those individuals who would best serve the needs of that service. To interpret Section 3301 so broadly as to grant the President the authority to take property from an individual as a pre-condition of employment is patently absurd. Consequently, a strict construction of Section 3301 also would require the finding, similar to that made in *Chrysler Corp. v. Brown*, *supra*, that it is not a "substantive rule"<sup>3</sup> for the taking of property, contrary to the finding of the Court of Appeals.

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vation is that there is nothing in the legislative history of §301 to indicate it is a substantive grant of legislative power to promulgate rules authorizing the *release* of trade secrets or confidential business information. It is indeed a 'housekeeping statute,' authorizing what the APA terms 'rules of agency organization procedure or practice' as opposed to 'substantive rules.'" (441 U.S. at 310; 99 S. Ct. at 1722) (Court's emphasis).

<sup>3</sup> See *Supra* note 2.

C. The same reasons used for rejecting the appropriateness of using Section 3301 for authorizing the President to issue an Order for taking property would be applicable to the third statute relied upon by the Court of Appeals' decision, namely, 5 U.S.C. Section 7301, at page 3. Section 7301 merely grants the President authority to prescribe regulations for the *conduct* of employees in the executive branch. To stretch the authority of Section 7301 to provide authority in the President to take property from an employee in the executive branch, under a statute providing for the President to regulate an employee's *conduct*, is clearly without any Congressional basis, unfounded, and well beyond a reasonable construction of the statute.

D. Finally, this Court's finding in *Chrysler Corp. v. Brown*, supra, that the OFCCP regulation issued pursuant to Executive Order No. 11246 does not have the "force and effect of law"<sup>4</sup> would be equally ap-

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<sup>4</sup> "In order for a regulation to have the 'force and effect of law,' it must have certain substantive characteristics and be the product of certain procedural requisites." (441 U.S. at 301, 99 S.Ct. at 1717). In addition, the Court stated: "That an agency regulation is 'substantive,' however, does not by itself give it the 'force and effect of law'. The legislative power of the United States is vested in the Congress, and the exercise of quasi-legislative authority by government departments and agencies must be rooted in a grant of such power by the Congress and subject to limitations which that body imposes." (441 U.S. at 302, 99 S.Ct. at 1718). Further, the Court stated: "Likewise the promulgation of these regulations must conform with any procedural requirements imposed by Congress. *Morton v. Ruiz*, supra, 415 U.S. at 232; 94 S.Ct. at 1073. For agency distinction is limited not only by substantive, statutory grants of authority, but also by the procedural requirements which assure fairness

plicable in finding that Executive Order No. 10096 does not have the "force and effect of law" inasmuch as the Congressional authority provided by 5 U.S.C. Sections 301, 3301 or 7301 does not provide "substantive criteria" or "Congressionally defined procedures" for taking patent property rights from Federal employee inventors.

In view of the foregoing decisions of this Court, the statutory authority relied upon by the Court of Appeals for the President to issue Executive Order No. 10096 is without merit. Therefore, the overreaching substantive and procedural aspects of Executive Order No. 10096 do not have the "force and effect of law." Thus, it is submitted that the holding of the Court of Appeals for the Federal Circuit that the President has authority to issue Executive Order No. 10096 pursuant to his authority under Sections 301, 3301 and 7301 of Title 5 of the United States Code is erroneous.<sup>5</sup>

As such, the Court of Appeals' decision is contrary to this Court's holding in *George and Chrysler*, *supra*, and permits the President to usurp the legislative powers of Congress, contrary to the doctrine of separation of powers.

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and mature consideration of rules of general application. *NLRB v. Wyman-Gordon Co.*, 394 U.S. 759, 764, 89 S.Ct 1426, 1429, 22 L.Ed 2d 709 (1969)." (441 U.S. at 303; 99 S.Ct. at 1718).

<sup>5</sup> This conclusion is not novel with Petitioner. See John O. Tresansky, PATENT RIGHTS IN FEDERAL EMPLOYEE INVENTIONS, 67 J.P.O.S. 451-488 (1985) at 482. Further, one might reasonably expect more lucid authorization by Congress, where establishing policy regarding the taking of important and valuable private patent property, than that relied upon by the Court of Appeals.

**II. The Court of Appeals' Decision Finding The Literal Interpretation Of Executive Order No. 10096 Constitutional Based Upon Congressional Acquiescence Is Unwarranted In Light Of The History Of And Practice Under The Order Wherein Congress Was Advised That The Practice Under The Order Followed Common Law.**

The Court of Appeals' decision, referring to *Kaplan v. Corcoran, et al.*, 545 F.2d 1073, 192 USPQ 129 (7th Cir. 1976), held: "Also, as the Seventh Circuit stated, there was congressional acquiescence in the order as shown by the 'failure of Congress to modify or disapprove it'. We agree with the *Kaplan* holding that Exec. Order No. 10096 is constitutional." (App. at 9a).

For the Court of Appeals to find congressional acquiescence to support their conclusion that the Order is constitutional is not supported by the history of and practice under the Order.

The genesis of Executive Order No. 10096 is the 1947 Attorney General Report to the President.<sup>6</sup>

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<sup>6</sup> U.S. Department of Justice, INVESTIGATION OF GOVERNMENT PATENT PRACTICES AND POLICIES, Report and Recommendation of the Attorney General to the President, Volume I, Final Report Proper (1947). In this report, the Attorney General, inter alia, restates the common law applicable to Federal employees, at page 20; notes that a Federal employee has no right of action against the Government, at page 20 and 21; finds that "Government ownership of its employees' inventions will best serve the Government," at page 29; recommends the establishment of a Government Patents Administration to assure a reasonable uniformity of policy, at page 62; and states that "It is important that the Government patent policy be brought home to each employee . . . For this purpose *no new statute is necessary.*" (emphasis) at page 144.

In January 1950, President Truman by "virtue of the authority vested in me by the Constitution and statutes" (App. at 66a) issued Executive Order No. 10096 which went far beyond the common law principles for acquiring patent property rights. No constitutional or statutory authority was cited in the Order.

Two years later in commenting on the 1952 amendment to 28 U.S.C. Section 1498, at pages 3 and 4, which granted Federal employee inventors the right to sue the Government for patent infringement, the House Committee on Patents had this to say: "The right to sue, pursuant to this bill in large part, follows title under the present law as reestablished by the *Dubilier* case and similar decisions."<sup>7</sup> Thus, two years after the promulgation of Executive Order No. 10096, the Congress continued to recognize the common law right of Federal employee inventors as held by this Court in *Dubilier*, *supra*.

Still later, in 1958, House hearings<sup>8</sup> were held on the Government employee invention property rights wherein the Congress was advised by Mr. Richard W. Pogue that: "The Government Patents Board, the Chairman of which administers Executive Order 10096, has done a commendable job in trying to reconcile the Order with prior judicial standards," and

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<sup>7</sup> H.R. Rep. No. 1726, 82nd Congress, 2nd Session, 3 (1952), reprinted in [1952] U.S. Code Cong. & Ad. News 2322.

<sup>8</sup> Hearings Before Subcommittee No. 3 of the Committee on the Judiciary House of Representatives, 85th Congress, 2nd Session, on RIGHTS OF GOVERNMENT AND ITS EMPLOYEES IN INVENTIONS MADE BY SUCH EMPLOYEES, Committee Print (1958).



"The subject matter—determination of rights in Federal employee inventions—is properly a legislative matter, as stated by the Supreme Court in the *Dubilier* case."<sup>9</sup> In addition, Mr. Pogue made available to the Congress an article<sup>10</sup> wherein it was stated: "Validity of Executive Order 10096 . . . would have been tested in the Courts by this time had the Order been applied . . . literally rather than in conformance with judicial standards summarized in *Dubilier*."

Again, in 1959, the Chairman of the Government Patents Board established pursuant to the Order, discussed the "interpretation" given to the Order in a Report to the United States Senate<sup>11</sup>. In this Report, the Chairman advised Congress of the common law practice under Executive Order No. 10096 by stating: "It has been the policy of the Chairman *since inception of the Government Patents Board* to place a construction upon . . . Executive Order No. 10096 which makes the Order more liberal . . . than . . . if the language were strictly construed. (emphasis) Such a strict construction . . . would require an employee to surrender to the Government rights which the Courts have consistently held the Government was not entitled to in the absence of statutory authority . . . . In . . . *Dubilier* . . . , Mr. Justice Roberts speaking

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<sup>9</sup> Ibid at page 11.

<sup>10</sup> Finnegan and Pogue, FEDERAL EMPLOYEE INVENTION RIGHTS - TIME TO LEGISLATE, 40 J.P.O.S. 252-289, 322-384 (1958), at p. 281.

<sup>11</sup> Preliminary Report of the Subcommittee on Patents, Trademarks and Copyrights of the Judiciary, United States Senate, 86st Congress, 1st Session, on PATENT PRACTICES OF THE GOVERNMENT PATENTS BOARD, Committee Print (1959), at pages 8 and 9.

for the majority . . . if the common law rules of equity as applied to rights in inventions made by an employee of the government were to be changed, it was not for the executive or judicial branches . . . to do so, but . . . must come from Congress."<sup>12</sup>

Later, in 1976, the Court of Appeals in *Kaplan*, supra, held the Order to be constitutional. In spite of the 7th Circuit's holding in *Kaplan*, the then Commissioner advised the Director of the Office of Federal Employee Inventions (Director), who prepared the decisions made pursuant to Executive Order No. 10096 for the Commissioner's signature, to continue the common law practice. This is evidenced by a presentation the Director made on April 11, 1984 before the Government Patent Lawyers Association regarding the practice under the Order. The presentation and "question and answer period" was recorded, transcribed, and made of record in the Claims Court by Respondent.<sup>13</sup> As a result of the Director's remarks in the transcription regarding the March 1, 1984 Claims Court's decision in Petitioner's case, the Director was removed upon request by Respondent from any involvement in the Commissioner's consideration of Petitioner's case.

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<sup>12</sup> See also Supra note 5 at pages 482-483.

<sup>13</sup> In the presentation and during the question and answer period, the Director made statements such as: "[W]e are only taking title when an invention is directly related to the official duties of the inventor . . . [W]e follow the common law . . . we never take title unless it is in accordance with . . . the Supreme Court . . . [Y]ou only follow Supreme Court decisions? That's right . . . and [T]he Commissioner advised me . . . to continue as we have over the last 30 years."

Thus, the foregoing shows that Congress was advised of the common law practice under the Order and, as evidenced by the Director's statements, there was continuous use of common law up to 1984, in spite of the 1976 *Kaplan*, supra, decision. Further, with respect to a regulation, this Court in *National Muffler Dealers Ass'n. Inc. v. United States*, 440 U.S. 472, 99 S. Ct. 1304 (1979), held: "In determining whether a particular regulation carries out the Congressional mandate in a proper manner, we look to . . . its origin and purpose . . . the manner in which it evolved . . . the length of time the regulation has been in effect . . . the consistency of the Commissioner's interpretation" (440 U.S. at 477, 99 S. Ct. at 1307). Executive Order No. 10096 has no Congressional mandate, but it does have a 35 year history of being implemented by the Chairmen of the Board and the successor Commissioners in accordance with the principles of common law. For the foregoing, congressional acquiescence can only be construed toward the common law practice under the Order and not in the literal interpretation thereof, and contrary to the findings of the 7th Circuit and the Court of Appeals for the Federal Circuit.

*Kaplan*, supra, also referred to *Youngstown Sheet & Tube Co. v. Sawyer*, 343 U.S. 579, 72 S.Ct. 863 (1952), as precedent for a holding that there was congressional acquiescence for Executive Order No. 10096. However, Mr. Justice Frankfurter's remarks were misconstrued by the 7th Circuit in *Kaplan*. Mr. Justice Frankfurter clearly indicated that congressional acquiescence would not apply to the President seizing private property, the steel mills (343 U.S. at 613-614, 72 S. Ct. at 898). Thus, congressional ac-



quiescence cannot be applicable to Executive Order No. 10096 because this Order, *literally interpreted*, takes away private property.<sup>14</sup>

Finally, since this Court in *Dubilier*, *supra*, held only Congress can modify the common law rights of a Federal employee, congressional acquiescence resulting in granting the President the right to take property, which the President does not have under either the Constitution or statute, would violate the doctrine of separation of powers in view of the powers vested in Congress by Article I, Section 8, Clause 8, of the Constitution to legislate in patent related matters.<sup>15</sup>

**III. The Court of Appeals' Decision Finding Executive Order No. 10096 Constitutional Is In Error Since The Procedures Of The Order Include An Erroneous Rule Of Law Wherein The Burden Of Proof Is Shifted To The Property Owner Making The Order Inherently Unconstitutional.**

Under paragraph 1(c) of Executive Order No. 10096 (App. at 67a-68a), the Order raises a rebuttable presumption of assignability in situations where the em-

<sup>14</sup> See *supra* note 5 at 480 also distinguishing *Youngstown*.

<sup>15</sup> After the July 12, 1985 decision of the Claims Court in Petitioner's case, the Commissioner, in late 1985, *started* to publish certain of his decisions made under Executive Order No. 10096 in the United States Patent Quarterly and apparently began *using a literal interpretation* of the Order. See John R. Raubitscheck, GOVERNMENT EMPLOYEE INVENTIONS, Federal Bar News and Journal, Vol. 33, No. 5, pp. 215-218, May-June (1986). Mr. Rabitscheck describes in some detail the common law practice under the Order up to that time and concludes that the Commissioner is no longer using common law but, instead, is using the literal interpretation of the Order at F. N. 49.

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ployee has certain defined duties. As such, the "Government-employer" under a literal reading or strict interpretation of the Order shall take an employee's property under an adverse, discretionary, administrative proceeding, if the Government determines that the employee has not rebutted the presumption.

This Court in *Dubilier*, supra, has held that the Government has the burden of proof before it can take the property rights of a Government employee.<sup>16</sup> Also, this Court in *Solomons v. United States*, 137 U.S. 342, 11 S. Ct. 88 (1890) held that the Government is no different than any other employer when it comes to appropriating a person's property, be it real estate or patent property rights.<sup>17</sup>

Thus, in light of *Dubilier* and *Solomons*, supra, the procedure under the Order of shifting the burden of proof to the patent property owner involves an erroneous "rule of law." As such, *Executive Order No.*

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<sup>16</sup> "Thus the Government understood that respondent could be deprived of rights under the patents only by *proof* that Dunmore and Lowell were employed to devise the inventions. *The findings of the Courts below show how far the proofs fell short of sustaining these avernments.* (emphasis) (289 U.S. at 193, 53 S. Ct. at 559).

<sup>17</sup> "The Government has no more power to appropriate a man's property invested in a patent than it has to take his property in real estate; *nor does the mere fact that an inventor is, at the time of his invention in the employ of the government transfer to it any title to or interest therein. An employee, performing all the duties assigned to him in his department of service, may exercise his inventive faculties in any direction he chooses, with the assurance that whatever invention he may thus conceive and perfect is his individual property. There is no difference between the government and any other employer in this respect.*" (137 U.S. at 346, 11 S.Ct. at 89) (emphasis).

*10096 should be found to be inherently unconstitutional.*

**IV. The Court of Appeals' Decision Finding That Due Process Under The Fifth Amendment Has Been Satisfied Is In Error Since Private Property Has Been Taken, Without A De Novo Judicial Review, Under An Executive Order Which Permits The Executive To Establish Its Own Criteria And Procedures And Then To Be The Adjudicator Of Its Own Proofs.**

Under the Court of Appeals' decision, a *property owner* is denied a de novo review and, as such, the "due process" safeguards of the Fifth Amendment are violated. At most, the Court of Appeals sanctioned limited judicial review under the Administrative Procedure Act (App. at 7a-8a).

*Solomons*, *supra*, held that the Government is like any other employer when it comes to taking property from an employee.<sup>18</sup> In addition, *Dubilier*, *supra*, held that it is the employer, not the employee, who must prove it owns the patent property rights as against the vested property right of the patentee.<sup>19</sup> Thus, this Court has held that a Federal employee inventor has the same right as an employee-inventor of a private company, who in a dispute over patent property rights has the right of a de novo judicial determination. The employee of a private company is not *limited* to the findings and decision of company management, as is the Federal employee under the Court of Appeals' decision.<sup>20</sup>

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<sup>18</sup> See *Supra* note 17.

<sup>19</sup> See *Supra* note 16.

<sup>20</sup> In the private sector, an employer would ordinarily bring suit for title against the employee property owner who has made

Denial of the de novo review, with respect to Federal employee inventors, in effect closes the gate on the property owner to have his day in court pursuant to the Fifth Amendment. To provide for due process, all facts and evidence produced by the Government in *proving* its claim to the employee's property should be adjudicated in a de novo judicial review, and not be determined merely by a discretionary Government decision based upon only those facts and evidence the Government deems appropriate.

Unless the patent property owner-employee is provided a de novo review, the Federal employer inventor is not afforded equal safeguards provided the employer in the private sector. Further, in contrast to the private sector, the "Government-employer" is permitted to be the adjudicator with respect to the criteria and procedures of its own making and the very proofs it has offered upon its own behalf to establish its ownership rights to the property. As such, to deny a de novo review to the Federal employer inventor where private property is taken violates the Fifth Amendment and is contrary to the precedents of this Court.

### CONCLUSION AND RIPENESS OF CASE

As explained, *supra*, Executive Order No. 10096 had heretofore been interpreted as warranting taking of title to the patent property rights of Federal employee inventors only in circumstances where common

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an invention during employment. The Court would determine title, *inter alia*, on the basis of the preponderance of evidence and the burden of proof would be borne by the employer. In contrast, the Court of Appeals' decision does not afford these same safeguards to the Federal employee inventor.

law would sanction as much. Even after the 7th Circuit's 1976 decision in *Kaplan*, supra, at least up through 1984, the Commissioner continued to apply common law principles. However, the Court of Appeals for the Federal Circuit is *now* the only Circuit Court of Appeals having jurisdiction over patent related matters since its creation in 1982. Thus, the Commissioner will, in all likelihood, feel compelled to adopt a literal interpretation of the Executive Order in accordance with the Court of Appeals' decision.

Consequently, because Executive Order No. 10096 affects the private property rights of Federal employee inventors and inasmuch as the Court of Appeals' decision affectively overturns the 35 year common law practice under the Order, the time is ripe for this Court to decide whether or not the Order is constitutional.

For the foregoing reasons, a writ of certiorari should issue to review the judgment and opinion of the Court of Appeals for the Federal Circuit.

Respectfully submitted,

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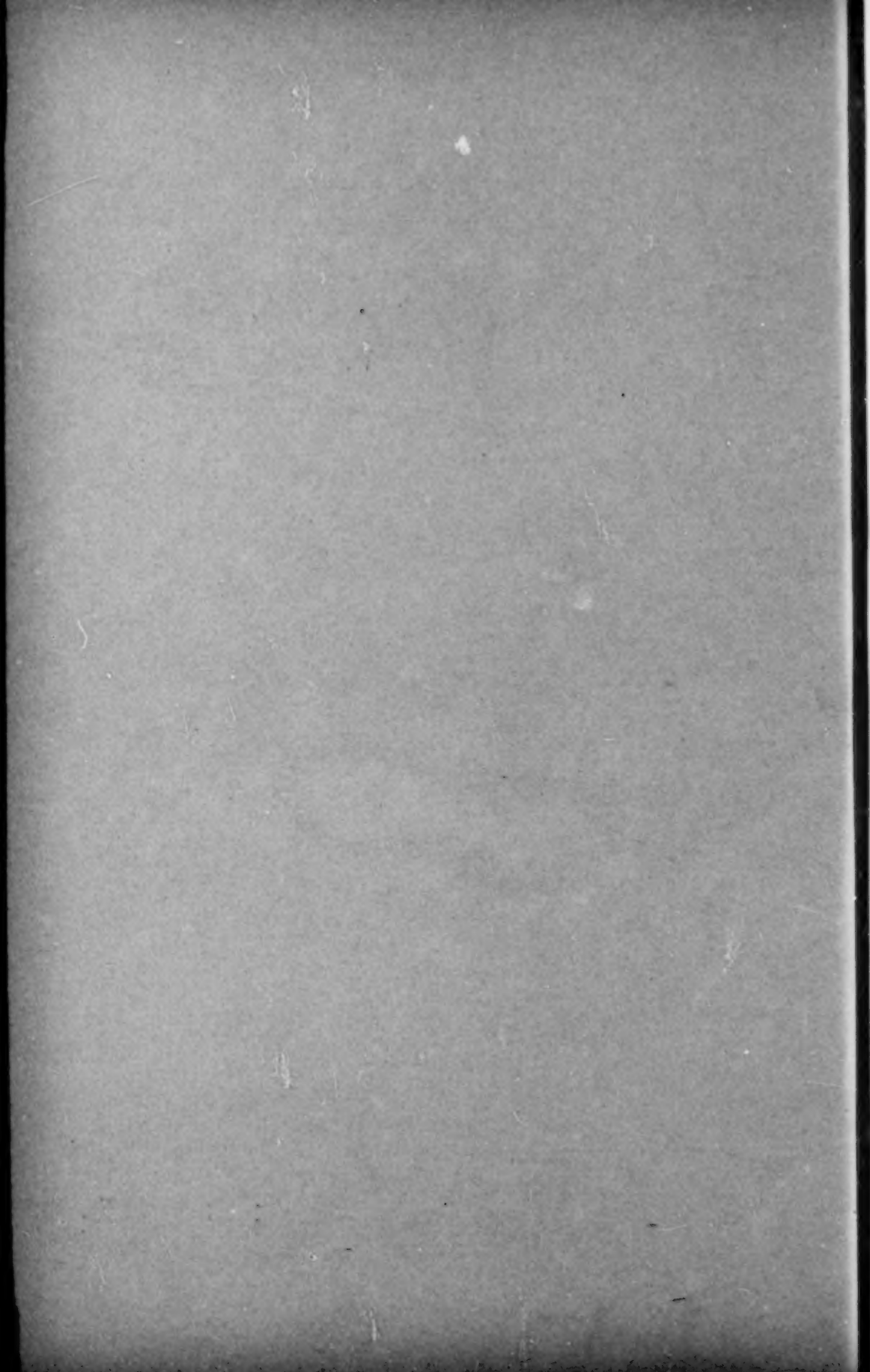
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December 1986



## **APPENDIX**







APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE  
FEDERAL CIRCUIT

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Appeal No. 85-2732

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ROBERT W. HEINEMANN,

*Appellant,*

v.

THE UNITED STATES,

*Appellee.*

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DECIDED: July 17, 1986

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Before FRIEDMAN, *Circuit Judge*, NICHOLS, *Senior Circuit Judge*, and SMITH, *Circuit Judge*.

SMITH, *Circuit Judge*.

This is an appeal by Robert W. Heinemann (Heinemann), pro se, from summary judgment by the United States Claims Court (Claims Court) dismissing Heinemann's claim of patent infringement and holding that the United States is the owner of patent No. 4,050,381 ('381 patent) on an invention made by Heinemann, while he was a Government employee.<sup>1</sup> The claims Court affirmed the ownership determination pursuant to Executive Order No. 10096 (Exec. Order No. 10096)<sup>2</sup> made by the Commissioner of Patents and Trademarks (Commissioner). We affirm.

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<sup>1</sup> *Heinemann v. United States*, No. 202-79C (Cl. Ct. July 12, 1985).

<sup>2</sup> Exec. Order No. 10096, 3 C.F.R. 292 (1949-1953 Comp.), amended by Exec. Order No. 10930, 3 C.F.R. 456 (1959-1963 Comp.). See regulations at 37 C.F.R. § 100 (1984).

### Issues

The three issues in this appeal are (1) what is the standard to be used by the Claims Court in reviewing an administrative determination pursuant to Exec. Order No. 10096; (2) whether Exec. Order No. 10096 allows a taking of property without due process of law in contravention of the fifth amendment; and (3) whether the Claims Court erred in entering summary judgment against Heinemann, affirming the administrative determination pursuant to Exec. Order No. 10096, that the Government was the owner of the '381 patent.

### Background

The facts material to this appeal are set forth below.<sup>3</sup>

Heinemann was employed as a chemist and physical scientist by the Government from 1957 until 1985 at the Army's Picatinny Arsenal located near Dover, New Jersey. In 1963, Heinemann was transferred to the Warheads and Special Projects (WASP) laboratory at Picatinny Arsenal. The WASP laboratory was responsible, among other things, for developing improved nonnuclear, conventional munitions. Heinemann's primary duties in the WASP laboratory were to coordinate and assist the laboratory chief in performing technical management of the exploratory development work being conducted in the laboratory. He was also expected to keep abreast of the state of the art in technology applicable to the work of the laboratory and to bring such knowledge and information into the laboratory from other Government facilities and from private industry.

In the mid-1960's, the WASP laboratory was engaged in developing improved conventional munitions for use

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<sup>3</sup> Additional facts are set forth in the opinions reflecting the prior history of this case at 4 Cl. Ct. 564, 223 USPQ 282 (1984); 226 Ct. Cl. 622 (1981); 620 F.2d 874, 206 USPQ 418 (Ct. Cl. 1980).

against armored vehicular targets such as tanks, armored personnel carriers, and trucks. One concept being pursued was the development of an intelligent anti-armor munition. An intelligent munition is one that can independently detect the location of the target during the terminal phase of its trajectory and deliver its destructive force directly to that location.

A co-worker of Heinemann, Theodore Malgeri (Malgeri), was engaged in a search for an effective sensor to be used in an intelligent anti-armor munition. Malgeri envisioned that such a sensor might be used in a barrage rocket having an intelligent warhead. the sensor would detect the target and cause the warhead to "home" on the target during the final phase of its trajectory.

Heinemann became aware of Malgeri's program and became very interested in it. In an effort to improve and simplify the barrage rocket, Heinemann conceived the idea of eliminating the need for terminal homing by having the warhead detonate and project a spray of metal fragments at the target as soon as the target was detected.

Heinemann submitted a written disclosure of his concept in January 1966. A patent application was prepared from the disclosure and from further information provided by Heinemann. When the patent application was ready for filing, Heinemann was requested to assign the ownership of the invention to the government and he did so on March 23, 1972. The assignment has been held invalid, a determination not challenged in this appeal. The patent application was filed and matured into the patent in suit which was issued on September 27, 1977.

Development of the intelligent anti-armor munition continued under the supervision of Malgeri. In the early 1970's, development in electronics and warhead technology made the nonhoming, immediate-fire warhead approach appear feasible. Funds to develop such a weapon were provided and the work resulted in the development of the

Search and Destroy Armor (SADARM) munition. SADARM is an 8-inch artillery projectile containing three intelligent submunitions. SADARM is expected to become an operational weapon in the near future.

### Prior Proceedings

Heinemann brought suit in the United States Court of Claims on May 15, 1979, contending that the SADARM munition infringed the '381 patent, that his 1972 assignment of the invention to the Government was voidable, and that he was properly the owner of the patent. Heinemann contended that the Government's use of the invention covered by the '381 patent was a taking without due process afforded by the fifth amendment.

The court of claims, our predecessor court, remanded the case to the trial division for further proceedings.<sup>4</sup> Subsequently, the Court of Claims ordered a bifurcated trial.<sup>5</sup> The first trial was to determine "the contested ownership issue" and was to consider the Government's allegation that, at a minimum, it was "entitled to a royalty free license to practice the invention."<sup>6</sup> The outcome of the first trial was to "determine whether a trial for the alleged infringement would be necessary." (In October 1982 the trial division of the Court of claims became the United States Claims Court.)

On March 1, 1984, the Claims Court directed that "this case is remanded to Picatinny Arsenal for a final determination, in accordance with Executive Order 10096, of the respective rights of plaintiff and the government in plaintiff's invention."<sup>7</sup> After the case was remanded, the

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<sup>4</sup> *Heinemann v. United States*, 620 F.2d 874, 206 USPQ 418 (Ct. Cl. 1980).

<sup>5</sup> *Heinemann v. United States*, 226 Ct. Cl. 622 (1981).

<sup>6</sup> *Id.* at 623.

<sup>7</sup> *Heinemann v. United states*, 4 Cl. ct. 564, 571 (1984).

Army followed its established regulations, in accordance with Exec. Order No. 10096, governing invention rights determinations. The Army was aided by the information developed in the trial record developed by the Claims Court. Under Army regulations, an initial recommendation was prepared by Picatinny Arsenal, Heinemann's immediate command, and forwarded through the Army Materiel Command (formerly the Army Materiel Development and Readiness Command or "DARCOM") to the Patents, Copyrights, and Trademarks Division of the Army Legal Services Agency.

On July 23, 1984, the Army Legal Services Agency issued the rights determination on behalf of the Department of the Army which concluded in the following language that the Government is entitled to an assignment of the invention:

The inventor is within those categories of employees specified in paragraph 1(c), Executive Order 10096 \* \* \* thereby creating the presumption that [the] Government shall obtain the entire right, title and interest in the invention. This presumption has not been rebutted. The invention bears a direct relation to and was made in consequence of the official duties of the inventor \* \* \*. Accordingly, it is the determination of the Department of the Army that, pursuant to paragraph 1(a), Executive Order 10096, the Government is entitled to an assignment of the entire domestic right, title, and interest in and to the invention.

Throughout the Army's rights determination, Heinemann was represented by competent legal counsel.

Heinemann appealed the Department of the Army determination to the Commissioner of Patents and Trademarks pursuant to 37 C.F.R. § 100.7 on August 22, 1984. On November 30, 1984, Donald J. Quigg (Quigg), then

Deputy Commissioner of Patents and Trademarks, issued a decision which concurred with the Army determination and concluded:

A presumption has been established under the Provisions of Executive Order 10096(1c)(iii) and (iv) that appellant's invention falls within the provisions of paragraph 1(a). Appellant has failed to overcome that presumption.

Hence, Government is entitled to retain all right, title and interest in and to the invention.

On December 28, 1984, Heinemann filed a request for reconsideration pursuant to 37 C.F.R. § 100.7(d) of the Deputy Commissioner's decision on appeal. On March 1, 1985, Quigg, then Acting commissioner of Patents and Trademarks, issued a decision which granted the request for reconsideration but again concluded:

Appellant has failed to overcome the presumption under the Provision of Executive Order 10096 (1c)(iii) and (IV) [sic] that Appellant's invention falls within the provisions of Paragraph 1(a).

The decision made no modification of the decision dated November 30, 1984. Throughout the proceedings before the Commissioner, Heinemann was represented by competent legal counsel who submitted written briefs on Heinemann's behalf.

On May 15, 1985, Heinemann filed a motion in the Claims Court for partial summary judgment on the question of whether he is entitled to any right, title, or interest in or to the '381 patent. While Heinemann's partial summary judgment motion was pending, the Government filed a summary judgment motion to dismiss the complaint on the basis that Heinemann was neither the legal nor the equitable owner of the '381 patent and, therefore, was not entitled to bring this suit under 28 U.S.C. § 1498 or under the fifth amendment of the United States Constitution. On



July 11, 1985, a hearing was held before Chief Judge Kozinski. After hearing oral arguments by counsel for each party, Chief Judge Kozinski issued an order granting the Government's motion to dismiss the complaint and dismissing Heinemann's motion with costs.<sup>8</sup>

On September 3, 1985, Heinemann appealed the July 12, 1985, judgment of the Claims Court.

### Standard of review in the Claims Court

The regulations issued pursuant to Exec. Order No. 10096<sup>9</sup> provide for an administrative determination by the Government agency employing the inventor, with review available by the Commissioner of Patents and Trademarks. The Government points to section 4(d) of Exec. Order No. 10096 which section provides that the Commissioner's determination is "with finality \* \* \* between any Government agency and its employees." The Government argues that if the Commissioner's determination is final, there can be no judicial review of the Commissioner's determination.

The Government's argument against judicial review is without merit. The Commissioner's determination is a final agency action reviewable under the Administrative Procedure Act (APA).<sup>10</sup>

The Government is correct, however, in asserting that if the Commissioner's determination is reviewable, the appropriate standard of review in the Claims Court is the "arbitrary or capricious" standard set forth in the APA. The Claims Court shall "hold unlawful and set aside agency action, findings, and conclusions found to be \* \* \* arbi-

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<sup>8</sup> See *supra* note 1.

<sup>9</sup> See *supra* note 2.

<sup>10</sup> 5 U.S.C. § 704 (1982).



trary, capricious, an abuse of discretion, or otherwise not in accordance with law[.]”<sup>11</sup>

Here, the Claims Court stated that the Commissioner’s determination under Exec. Order No. 10096 would have to be affirmed under either the “arbitrary or capricious” standard or the “substantial evidence” standard. We must affirm because, under the appropriate standard, the Commissioner’s determination was not arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

### Fifth Amendment

The Government’s only argument concerning the constitutionality of Exec. Order No. 10096 is its assertion that Heinemann is precluded from raising this “new issue” or appeal. Although Heinemann’s arguments may not have been clearly stated, the very core of his case is, and always has been, that he believe himself to be the true owner of the patent and that the Government has taken his property without due process of law. Therefore, we must address the fifth amendment issue.

In *Kaplan v. Corcoran*,<sup>12</sup> the United States Court of Appeals for the Seventh Circuit held that the President was authorized by statute to promulgate Exec. Order No. 10096. The Seventh Circuit held that the executive order was not prohibited by the 1933 Supreme Court decision in *United States v. Dubilier Condenser Corp.*<sup>13</sup>

In *Dubilier*, there existed no executive order such as Exec. Order No. 10096, nor were there any statutes or regulations concerning invention rights determinations. The

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<sup>11</sup> 5 U.S.C. § 706 (1982); see *Citizens To Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402, 413-14 (1971).

<sup>12</sup> *Kaplan v. Corcoran*, 545 F.2d 1073 (7th Cir. 1976).

<sup>13</sup> *United States v. Dubilier Condenser Corp.*, 289 U.S. 178 (1933).

Supreme Court held that the common law of invention rights was controlling, in the absence of any authority for the courts or the administrative officers to determine otherwise.

There have been several important occurrences since 1933 which have created a different situation from that in *Dubilier*. There are several statutes which authorize the President to prescribe regulations concerning the conduct of Government employees and the ownership of Government property.<sup>14</sup> Executive Order No. 10096 and the related regulations have been promulgated pursuant to the authority vested in the President by statute. Also, as the Seventh Circuit stated, there was congressional acquiescence in the order as shown by "the failure of congress to modify or disapprove it."<sup>15</sup> We agree with the *Kaplan* holding that Exec. Order No. 10096 is constitutional.

Heinemann has contended that Exec. Order No. 10096 is not uniformly applied in patent rights disputes. Contrary to Heinemann's assertions, Exec. Order No. 10096 has made possible a uniform policy for determining ownership rights with respect to patents on inventions made by Government employees.<sup>16</sup> The executive order provides procedural safeguard by requiring the agency to conform to specified standards in making the invention rights determination. In addition, Heinemann has availed himself of review by the Commissioner, appeal to the Claims Court, and subsequent appeal to this court.

The Army correctly determined, in accordance with Exec. Order No. 10096, that "[t]he invention [bore] a direct relation to and was made in consequence of the official duties of the inventor." The Army found that Heinemann's

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<sup>14</sup> See, e.g., 5 U.S.C. §§ 301, 3301, 7301 (1982).

<sup>15</sup> *Kaplan*, 545 F.2d at 1077.

<sup>16</sup> See, e.g., *In re Conway*, 228 USPQ 50 (Dec. Comm'r Pat. 1985); *In re Williams*, 228 USPQ 381 (Dec. Comm'r Pat. 1985).

responsibilities included coordinating laboratory work and acting as a liaison for researchers. The Army also found that Heinemann had failed to rebut the presumption that, since he was within those categories of Government employees specified in Exec. Order No. 10096, his invention became the property of the Government.

The Army's determination was affirmed by the decision of the Commissioner of Patents and Trademarks, which decision was affirmed by the United States Claims Court. There has been no "taking" because the invention was not the property of Heinemann, and there has been no lack of due process afforded Heinemann under the provisions of Exec. Order No. 10096 as administered and reviewed by the agencies and by the courts.

### Summary Judgment

Summary judgment shall be rendered if "there is no genuine issue as to any material fact" and if "the moving party is entitled to judgment as a matter of law."<sup>17</sup> Thus, where both parties have filed dispositive motions, and neither has challenged nor denied the material facts relied upon by the other, the trial court may properly enter judgment on the issue of law, based upon the material facts contained in the motions.

In the Claims Court's proceedings below, both Heinemann and the Government brought cross-motions for summary judgment. Heinemann's motion was for partial summary judgment declaring that he had title to the '381 patent. The Government's motion was for summary judgment dismissing the complaint because of the Exec. Order No. 10096 determination that Heinemann did not have title to the '381 patent. Heinemann did not challenge the material facts relied upon in the Government's motion, and likewise the Government did not challenge the material

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<sup>17</sup> FED. R. CIV. P. 56(c).

facts relied upon in Heinemann's motion. Accordingly, there were no genuine issues of material fact, and the Claims Court correctly granted the Government's motion after carefully reviewing the Commissioner's determination and deciding that it was not arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

### **Conclusion**

Executive Order No. 10096, relating to ownership determinations on inventions made by Government employees, is constitutional. Under the appropriate standard of review, the Claims Court correctly entered summary judgment dismissing Heinemann's claim of patent infringement and holding that the Government is the owner of the '381 patent obtained on Heinemann's invention. We affirm.

*AFFIRMED*

**APPENDIX B**

**United States Court of Appeals for the Federal  
Circuit**

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**Appeal No. 85-2732**

---

**ROBERT W. HEINEMANN,**

**Appellant,**

**v.**

**THE UNITED STATES,**

**Appellee.**

**Judgment**

*ON APPEAL from the United States Claims court  
in CASE NO(S). No. 202-79C*

*This CAUSE having been heard and considered, it is  
ORDERED and ADJUDGED:*

**AFFIRMED.**

**ENTERED BY ORDER OF THE COURT**

**DATED Jul 17 1986 By: Diane Frye, Chief Deputy Clerk**

**APPENDIX C**

**United States Court of Appeals for the Federal  
Circuit**

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**Appeal No. 85-2732**

---

**ROBERT W. HEINEMANN,**

*Appellant,*

**v.**

**THE UNITED STATES,**

*Appellee.*

**ORDER**

A petition for rehearing having been filed in this case,  
UPON CONSIDERATION THEREOF, it is

ORDERED that the motion for leave to provide an attachment, separately bound, to appellant's petition for rehearing and suggestion for rehearing in banc is granted; and

IT IS FURTHER ORDERED that the petition for rehearing be, and the same hereby, is denied.

The suggestion for rehearing in banc is under consideration.

**FOR THE COURT**

/s/ FRANCIS X. GINDHART,  
FRANCIS X. GINDHART, Clerk

9/12/86  
Date

cc: Mr. Robert W. Heinemann  
Mr. Vito J. DiPietro, DOJ

**APPENDIX D**

**United States Court of Appeals for the Federal  
Circuit**

**Appeal No. 85-2732**

**ROBERT W. HEINEMANN,**

*Appellant,*

**v.**

**THE UNITED STATES,**

*Appellee,*

**ORDER**

A suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the suggestion for rehearing in banc is declined.

**FOR THE COURT**

/s/ FRANCIS X. GINDHART,

FRANCIS X. GINDHART, Clerk

9/24/86

Date

cc: Mr. Robert W. Heinemann  
Mr. Vito J. DiPietro, DOJ



**APPENDIX E**

**In the United States Claims Court**

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**No. 202-79C**

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**ROBERT W. HEINEMANN,**

*Plaintiff,*

**v.**

**THE UNITED STATES,**

*Defendant.*

**FILED**

**JUL 12 1985**

**ORDER**

For the reasons stated at the hearing held July 11, 1985, defendant's Motion for Summary Judgment is granted and plaintiff's Motion for Partial Summary Judgment is denied. The clerk is directed to dismiss the complaint with costs to the prevailing party.

July 12, 1985

/s/ ALEX KOZINSKI  
ALEX KOZINSKI  
Chief Judge

**APPENDIX F**  
**IN THE UNITED STATES CLAIMS COURT**

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**No. 202-79C**

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ROBERT W. HEINEMANN,

*Plaintiff,*

v.

THE UNITED STATES,

*Defendant,*

Courtroom 4, Room 501

U.S. Claims Court

717 Madison Place, Northwest

Washington, D.C.

Thursday,

July 11, 1985

The parties met, pursuant to notice of the Judge, at  
10:16 a.m.

BEFORE: HON. ALEX KOZINSKI

Chief Judge

APPEARANCES:

*For the Plaintiff:*

WILSIE H. ADAMS, JR., ESQ.

McKenna, Conner and Cuneo

1575 Eye Street, Northwest

Washington, D.C. 20005

(202) 789-7500.

*For the Defendant:*

CLAUD A. DAIGLE, JR., ESQ.

U.S. Department of Justice

Civil Division  
Commercial Litigation Branch  
Washington, D.C. 20530  
(202) 724-7273

**ACME REPORTING COMPANY**

(202) 628-4888

**Pages 1-123 OMITTED.**

\* \* \* \*

THE COURT: Anything further?

MR. DAIGLE: Defendant has nothing further, Your Honor.

THE COURT: Thank you very much. Well, this is a difficult case and whatever this Court decides, it will be up to Court of Appeals to resolve. And I'm referring to difficult issues. I'll give you my best shot and lots of luck on appeal.

First things first. What the Court is here to decide today. Judge Colianni determined, made a decision, to remand the case to the agency for determination on Executive Order 10096. Plaintiff has challenged the decision. Arguing in it's belief that it was inappropriate on a number of grounds. Parties did not ask for it. It was a divestiture of the Court's jurisdiction. That it was an improper delegation of authority by the court to an administrative agency.

I think some of these arguments are weightier than others. But the decision was made and except for unusual circumstances, a court will not alter a decision made in a case in a proceeding. Simply because a new judge may have been assigned to the case and a passage of time may

have changed minds or what not. There would have to be some unusual circumstance such as the arising of some unusual new authority or some new set of facts or some unexpected circumstances to cause a court to reconsider an earlier decision.

In a way, I think it's more difficult to reverse a decision made by a prior judge than the decision one has made oneself. One can always have some doubts about his own decision. But one doesn't owe oneself comedy I think or some comedy opposed to a prior decision maker and to the process as a whole and not encouraging the reversing of the decision simply because a new judge has been assigned to the case.

I'm therefore, not going to reverse the decision made by Judge Colianni. I would state for the record, I have some doubt about the process but reply to the process. I am confident Judge Colianni had some doubts about the process himself. By failing to—position, I don't mean to add any weights to it.

I simply take it as given because it was made and because the parties were acting with reliance upon it and because principles of orderly—of justice call for review of that type of decision on appeal and not by another judge of coordinate jurisdiction. Who happens to be assigned to the case at a chronologically later date.

So I think there are very important and weighty and interesting issues raised by Plaintiff as to propriety of the process. As to the constitutionality of process perhaps. I leave them for an appellant court to consider and resolve. I take Judge Colianni's decision as having considered and resolved those questions. Otherwise, remain would not have occurred. And so leaving his decision, I will leave it undisturbed.

The next question is accepting the remand what does one then do with the decision as issue by the Army and

then by the Patent Office, what kind of weight does one give it. Does one simply read it as a curiosity something by way of advise much like an—brief. Does one give it more weight. Does one give it conclusive weight.

The court is determined to give it weight which is appropriately given to a administrative decision by a reviewing court. And that is stated in different ways and I'm not sure that the different ways of phrasing it amount to very much but we are substance to differences. But that findings of facts or determinations of fact will be upheld if supported by substantial evidence. Questions of law will be reviewed as de novo, of course, because questions of law are for the court to decide.

And where exercise of discretion is appropriate under administrative processes of discussions are reviewed under the standard of abuse of discretion. Or as otherwise stated whether that discretion is exercising arbitrary or—fashion.

In some, the Court concludes that a whole lot of weight will be given to administrative decision. But not conclusive weight. It's not a situation where judicial review is non existent. It's simply going to be very differential and skimpy.

Now, the question of law, of course, is one that the Court must determine for itself. And probably only be the first question to be addressed. Because if the agency operated under a legal framework which is incorrect then, of course, its decisions would be questionable. If it operated on a legal framework that's correct, then of course, one can go from there and see whether it exercises discretion properly and whether it made factual findings in accordance with the record.

Now, there is a dispute between the parties as to how the presumptions are invoked under Executive Order 10096. And what effect they have on a further determination in the case. And I'm now looking at paragraph 2,

not not two. Paragraph 1(c) of the Executive Order and this is where the presumptions are listed. And the Government relies on presumptions three and four.

Now, I went into some detail as to what the party each though the presumptions were. And the Government has taken the position that so long as, for purposes of presumptions three and four, the employee was a supervisor, coordinator, reviewer or director or acted in liaison capacity in his job, that sets up a presumption that whatever he invents will be going to the Government.

Or that there would have been Government input sufficient to give the Government an ownership rights. And that it is then up to the employee to rebut the presumption by showing that under the facts and circumstances of the case, the conditions of paragraph 1(a) one, two and three are not met.

Plaintiff would read the threshold for those presumptions much more narrowly. They would say that in order to have the presumption of—one has to first establish facts that would suggest that the liaison capacity or the supervision or the work or what not were in the area or were such that they involved this particular or some relationship to the particular invention. And only then would the presumption be based.

The Court rules in favor of the Government on that point. It seems perfectly appropriate to have the presumptions raised at the level of supervision or discretion or freedom of action that an employee is granted in his job. The higher one is, the more one has by way of coordinating supervising, liaison, reviewing function, the more one is likely to get involved in a variety of activities. Some of which may or may not obviously bear upon the invention.

The higher up one is, the more discretion, the more freedom one exercises, the more ones activities can in

certain ways perhaps wind up having a relationship to the invention as a whole. And it seems fair and appropriate to have somebody who is in that kind of position and who also spends time at home creating an invention come forward with facts and come forward with the evidence. That although the job is not a menial the job is not a limited one. Nevertheless, the invention does not have any relationship to the job.

It seems like somewhat of an onerous burden. It seems like there may be some unfairness involved in the process. But the Court is mindful of the legislative history of Section 4098 which as Plaintiff's counsel has suggested, ought to be a part in the material with Executive Order 10096.

And congress was concerned about the fact, which I think is reality, that patent—are bought many, many, many years frequently after invention is made and comes to conclusion. That it is difficult at the point for the Government which after all, is not a single person but a group of people many of whom change positions and move in and out or move in and out of government. It would be difficult for the United States as an entity to prove the exact link between a particular persons job and a particular person and the invention in question.

And although this seems to draw a fairly wide ring around the persons activity, it says a supervisor, a viewer, a liaison person, it's your job to disprove of a relationship between the invention and your job. Well, who knows after all more know about that relationship than the inventor himself and the person in question. And it seems although, you know, somewhat onerous. It doesn't seem a crushing burden or one that given the Government's interests are—is one that is unfairly placed upon the employee.

Now, when we deal with the questions of an employee who works for a weapons factory and goes home and makes an improved method of making cheese, then, of course, it is relatively easy or quite easy or it would be



very easy in fact for an employee to go ahead disprove a relationship between his activities at the office and his supervisory coordination supervision of review activities and the invention. I worked on weapons and my invention deals with food.

This is not our case. The facility, the activity that employed Mr. Heinemann was charged with weapons development. And Mr. Heinemann was hired as a professional. There is some question as to what exactly his functions were. There was some dispute of that on the record. But he was a journeyman level professional dealing on a day-to-day basis with various aspects of weapons development.

Not to be sure one can draw various inferences as to or one can draw various lines as to what activities of the office involved. But this was not a situation where he went home and invented cheese. He went home and invented something that was very much within the group of inventions or group of mechanisms, a group of devices that was a subject of his work at the office.

And then we get into a question of how one resolves various inferences in evidence. And keeping in mind that the Court has read the Executive Order, the Burden is on the Plaintiff to disprove the relationship between his invention and his job. And the Court with that in mind, has reviewed both the decision of the Patent Office and I think is more thorough and has looked at the decision of the Army of course but finds the decision of the Patent Office to be the most thorough and studied and thought out.

And also the one that issued by an agency that is very much an agency involved in this obvious types of issues. It is not an agency that is affiliated other than a general way, with the Defendant. It is within the Executive Branch but not within the Defense Department.

And the question is, is there other determinations particularly factual determinations and the exercise of dis-

cretion within the authority of the Deputy Commissioner or the assistant commissioner of patents and trademarks. Deputy Commissioner of patents and trademarks. The Court looks at materials on page three and four of the opinion. The Court holds that in fact the decision is supported by the record. And is an appropriate exercise of discretion.

Again, one has to remember that under the leadings of the Executive Order, it is Plaintiff's burden to disprove relationship between his work and the invention. And it's a little bit of a tricky business because this was a weapon. This was somewhat different weapon from some of the ones or many of the ones that were being worked with in the office.

But still in all, it was a kind of weapon that was dropped from above. There were certain aspects of the device that was similar to many of the ideas that were being considered at this facility and the purpose of this facility as the Court understands was to invent weaponry. And ultimately whether the Plaintiff was hired for that specific purpose of conducting inventions or merely assisting in the inventive development aspects of the facility as a whole, his responsibility or his—his reason for being there was to assist in the development of weapons.

And what happened is the commissioner of patents reviewed the record and simply was not persuaded the relationship was lacking. The commissioner cites testimony of Mr. Saxe as testimony of Mr. Malgri in holding that appropriate relationship existed or otherwise that he was not persuaded that the relationship was lacking.

And the Court has reviewed the transcript and Mr. Saxe's testimony at page 353 and page 362 where he talks about authority of Plaintiff's to make changes and to review other peoples work it specifically says, "Appellant's assignment included coordination of programs of five west sections involved in this elected ammunition program. And

had authority to make changes himself or tell Saxe what he thought should be changed." That's clearly supported by the record, the Court has checked that citation.

"He was to see to the work, tie together and then report to various sections were timely and made sense. He had wide knowledge of what was going on in all sections of the lab by reasons of reports and periodic review meetings to which he was invited for the purpose of idea cross-fertilization."

Now, having kicked in the presumption. Having shown that in fact he was a supervisor, a review coordinator, then again it is up to Plaintiff to show that those activities, those functions did not involve a relationship to his invention.

And the testimony of Mr. Saxe and the Court has read the testimony was that he was invited to weekly meetings where everybody sat around and talked about what was going on. And he had complete access to many, many pieces of information. And that was part of his function.

Now, there is a testimony of Mr. Malgri which forms a separate basis as the Court reads it of the determination of the deputy commissioner. And there dispute as to Mr. Malgri's testimony. In the first place, the Court notes that the Saxe testimony alone would be sufficient under the substantial evidence standards to support the commissioners determination. Keeping in mind, that the Plaintiff was really the one that has to prove relationship between his invention and his job.

But in any case, the Malgri testimony all I can say about it is that one could have disbelieved Mr. Malgri. He testified inconsistently a couple of times. He had to refresh a recollection. Maybe he even chatted with some secretaries and who knows, memory is a funny thing. Times passes and this is not something that was as important to Mr. Malgri as it was to Mr. Heinemann.

But that's just the point. The point is that these things get adjudicated very late and those to whom this is of importance, are on one side. To everybody else in the Government or who left the Government, this was just another incident in a long line of incidents or nonincidents over many years of experience. And you know, to be sure, one could say Mr. Malgri should have been disbelieved because his memory was fuzzy. But there's simply no requirement that one do so.

It's quite clear that the commissioner did review his testimony. He does cite pages of the transcript of Mr. Malgri's testimony in support of his decision. And the fact that he might have been involved although, I don't it was, it was probably the first recollection. That fact that the testimony was fuzzy, really has little bearing on the propriety of relying upon such testimony.

This was an adversary determination. It is quite clear the administrative proceedings unlike the proceedings in a court of law, a lesser standard is applied to the admissibility of evidence. And in deed, hearsay is frequently admitted on administrative proceedings and findings made on the basis of hearsay are frequently upheld by courts as based upon substantial evidence.

Again, the Malgri testimony points to the necessity or the wisdom of the presumptions. Harsh though they may be. Mr. Malgri seems to me from just reviewing the records, tried to recall as best he could what had happened and what the years were. But this was an awfully long time ago. And it's very difficult to find somebody who has an intense and recollection of events way back then as does the party in question and the party that has a financial interest.

That's why placing the burden on that party to disprove a relationship is although harsh, not an unfair rule in this context.

Now, the Court also notes that under the regulations, a somewhat lesser standard is applied for the issuance of whether Government takes not a title and interest in the invention but merely an exclusive royalty free license. Although the Court is of the view that in this case the record sustains the determination that Government is entitled to assignment of the rights title and the invention itself, it note that it would not make any difference.

And the parties seem to agree with not making any difference whether the lesser standard involving a mere license were made. Because exclusive or rather a royalty free license to the Government, I believe not exclusive, but a royalty free license to the Government is really all there is here. Because obviously these are not the kind of devices one will sell in the consumer market within the United States. The government is an only customer.

And therefore, if the Court were in doubt as to whether the decision of the commissioner of patents and trademarks is appropriate to sustain a full assignment, the results would not be changed if the standard was some how or the sustained a somewhat less of a measure of Government interest. And resulted in the issuance of a license. It would amount to the same thing. The Plaintiff, would nevertheless not be entitled to recover in this case.

So although as the Court has noted, decision of the deputy commissioner seems to comply and be appropriate and be sustainable in providing to an assignment. Even if the proof were not sufficient for that, he would nevertheless amply meet the requirement for a nonexclusive license. And that in any case would be the end of the case as far as Plaintiff's concerned.

As I say, these are difficult issues. There are issues that I think many of which deserve ventilation by the Court of Appeals. And I feel myself bound by the decisions made by Judge Colianni in this case. But of course, they are not binding on an appellant court. As far as review of

administrative decision is concerned, I have given you my view of it. But once again, I think it may well be worth ventilating the issues in an appeal. And after all the standards I have applied may not be the ones that the court of appeals agrees with.

So as I said before, I issue my ruling regardless of what the outcome, I'm sure this case will not stop with me.

I want to thank you both counsel for a job very well done. And good luck upstairs.

MR. DAIGLE: Thank you, Your Honor. Your Honor will there be a written order determining this?

THE COURT: (inaudible response.)

THE CLERK: Court is adjourned.

(Whereupon, at 3:45 p.m., the hearing was concluded.)



**APPENDIX G**

**In the United States Claims Court**

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**No. 202-79C**

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ROBERT W. HEINEMANN,

*Plaintiff,*

v.

THE UNITED STATES,

*Defendant.*

FILED

APR 10 1985

**ORDER**

Based upon the representations of counsel at the hearing held Tuesday, April 9, 1985, it is ordered as follows:

(1) Plaintiff shall file a motion for summary judgment no later than May 15, 1985.

(2) Defendant shall file its cross-motion for summary judgment no later than June 17, 1985.

(3) Plaintiff may reply by July 1, 1985.

(4) Oral argument on the parties' cross-motions for summary judgment is scheduled for Thursday, July 11, 1985, at 10:00 a.m. EDT, in Courtroom No. 4, Fifth Floor, National Courts Building, 717 Madison Place, N.W., Washington, D.C. 20005.

April 10, 1985

/s/ ALEX KOZINSKI  
ALEX KOZINSKI  
Chief Judge



## **APPENDIX H**

### **UNITED STATES DEPARTMENT OF COMMERCE Patent and Trademark Office**

**Address: COMMISSIONER OF PATENT AND  
TRADEMARKS**

**Washington, D.C. 20231**

**Case No. : GPB 10-4201**

**Inventor : Robert W. Heinemann**

**Invention : Low Density Indirect  
Fire Weapon System**

#### **Decision on Request for Reconsideration**

The Request for Reconsideration is granted.

The extensive arguments made in behalf of Appellant's Request for Reconsideration have been fully considered. However, they are not persuasive that the original Decision was in error.

It is recognized, that after some eighteen to twenty years, the recollections of individuals are often times somewhat fuzzy. The Memorandum in support of Request for Reconsideration goes to great lengths in trying to place the testimony of Mr. Malgeri in a bad light. It is argued extensively that Mr. Malgeri testified one way during Depositions, but at a later time when testifying at the Hearing, his testimony was somewhat different and, therefore, cannot be believed. We do not accept that explanation. It appears quite logical that after having gone through Depositions and having his testimony questioned extensively, that Mr. Malgeri would give a considerable amount of study and consideration as to those areas that were so extensively questioned during the Deposition and would be in a much better position at the Hearing to give accurate testimony. Appellant's memorandum puts into question the

extent of Appellant's duties while he was operating under verbal orders from his supervisor Mr. Saxe prior to an attempt by the latter to prepare a job description which was intended to obtain a promotion for Appellant from a GS 13 to a GS 14. The fact that Mr. Saxe did not remember specific instructions to Appellant to work with Malgeria does not detract from Malgeri's testimony to the effect that Appellant had the apparent responsibility and that Malgeri relied upon that apparent responsibility.

Appellant questions, not only the accuracy of Malgeri's testimony, but also the testimony of Mr. Saxe. Only the testimony of Appellant, who is the party in interest, appears to be sharp and unwavering after the twenty year period.

If one were to accept Appellant's testimony at face value, it would be necessary to assume that Appellant operated throughout the several initial months of his employment on the new job with little or no direct supervision from Mr. Saxe. However, Appellant's implication that his job changed rather drastically after Mr. Saxe wrote up a job description to justify Appellant's proposed promotion, does not appear to have foundation in the testimony. Mr. Saxe's assignments to Appellant placed him in a position where he was almost constantly in a position to receive and participate in the cross fertilization of ideas.

Appellant makes the point that Mr. Malgeria reported to Mr. Stein and not to Mr. Saxe. However, the argument tends to ignore the fact that Mr. Stein reported to Mr. Saxe. The presence of that additional layer of supervision between Mr. Malgeri and Mr. Saxe does not present a fact situation that would tend to refute Mr. Malgeri's testimony. Mr. Malgeri testified that he perceived appellant's job to be a position whereby he was responsible for making the laboratory aware of all new technology that was going on. He made appellant aware of what was going on in his area of work.

Saxe seemed to confirm Malgeri's perception when he characterized appellant's job as being a focal point, where people could come who wanted to find out what was going on in the laboratory and elsewhere (Saxe TR-410,411). The fact that he acted in a liaison capacity among Governmental agencies and individuals engaged in work related to appellant's invention (Saxe TR-411,412) establishes a presumption according under Executive Order 10096 (1c)(iii) and (iv) and 37CFR §100.6 (b)(3)(iii) and (iv).

Appellant has failed to overcome the presumption under the Provision of Executive Order 10096 (1c)(iii) and (IV) that Appellant's invention falls within the provisions of Paragraph 1(a).

The Request for Reconsideration is Granted, but no modification of the Decision dated November 30, 1984 is made.

/s/ DONALD J. QUIGG

Donald J. Quigg

Acting Commissioner  
of Patents and Trademarks

cc: John H. Raubitschek

## APPENDIX I

### UNITED STATES DEPARTMENT OF COMMERCE Patent and Trademark Office

Address: COMMISSIONER OF PATENTS AND  
TRADEMARK

Washington, D.C. 20231

Case No. : GPB 10-4201

Inventor: Robert W. Heinemann

Invention: Low Density Indirect  
Fire Weapon System

#### Appeal of Determination of Government Interest

On September 27, 1977, United States Patent No. 4050381 issued to appellant and was assigned to the United States. Appellant filed suit on May 15, 1979, in the United States Court of Claims, seeking relief against the United States, *inter alia*, claiming that the Government had wrongfully taken his invention.

Appellant argued in that case that Executive Order 10096 is inapplicable in judicial proceedings and that the Government's rights to the invention rest solely on the common law. However, the trial judge found that no formal agency determination was made because appellant filed concurrently with his invention disclosure an invention rights questionnaire in which he voluntarily agreed to assign title to the Government. He further found that the assignment was based on misinformation supplied to appellant by the Government.

The trial judge then ordered, pursuant to RUSCC 60.1 (a) the case remanded to Picatinny Arsenal for a final determination, in accordance with Executive Order 10096, of the respective rights of appellant and the Government in the invention. Proceedings in the court were suspended pending that final determination and pending any subse-

quent review by the Commissioner of Patents and Trade-marks that either party might seek.

The Government, through the Department of the Army, completed a Request for Determination of Invention Rights, dated July 23, 1984, concluding that the inventor is within those categories of employees specified in paragraph 1(c) Executive Order 10096, thereby creating the presumption that the Government shall obtain the entire right, title, and interest in and to the invention.

This case is before the Commissioner of Patents and Trademarks for his decision pursuant to the Regulations Concerning Inventions Made By Government Employees, 37CFR 100. Appellant has appealed from the determination of the Department of the Army.

Appellant's invention relates to a munition system which combines (a) an explosive warhead capable of directionally projecting its lethal mechanism with (b) a directional sensing fuse, which is aligned during manufacture with the path of the lethal mechanism. The warhead is suspended from a drag, such as a parachute and adapted to rotate so as to permit the sensing fuse to scan the ground for targets, then directionally propel a projectile at the target when it locates one.

The record indicates that at the time the invention was made, appellant had no written job description, but was a GS-13 reporting directly to the Chief of the Warheads and Special Projects Laboratory (WASP), Picatinny Arsenal, Dover, New Jersey, U.S. Army. His duties were assigned verbally by the laboratory chief, Mr. Frederick E. Saxe (Saxe TR-350).

Appellant's assignment included coordination of programs of five WASP sections involved in-a selected ammunition program and had the authority to make changes himself, or tell Saxe what he thought should be changed (Saxe TR-353). He was to see that the work tied together and that

reports of various sections were timely and made sense. He had wide knowledge of what was going on in all sections of the lab, by reasons of reports and periodic review meetings, to which he was invited for the purpose of idea cross fertilization (Saxe TR-362).

During the period 1963-1964, appellant shared an office with Theodore J. Malgeri, Chief of the Planning Office (Malgeri TR-595,600). While sharing that Office, he was given vast information with respect to Malgeri's work, which was directed toward a seeker containing munition (Malgeri TR-476,477). Malgeri testified on cross examination, that when appellant moved into Malgeri's office, appellant learned about the intelligent munition work in which Malgeri was involved and immediately became enamored with it (Malgeri TR-594,505). Malgeri perceived appellant's job to be a position, whereby he was responsible for making the laboratory aware of all new technology that was going on, and that he engaged himself in making trips to different agencies and contractors to gain whatever knowledge was available, and whatever indication was available with relation to the state of the art (Malgeri TR-505). Malgeri stated that appellant had complete access to all of his reports and that they discussed various problems in the work at great length (Malgeri TR-477). Malgeri also compared the close relationship between appellant's concept including parachute, lethal mechanism and seeker with the concept he had been working on (Malgeri TR-612, 613). They were closely related.

Saxe testified that appellant's job brought him into contact with many "intelligent munitions" including a "pop-up" mine, that would sense out targets and project missiles to intercept them (SAXE TR-426, 427). Saxe characterized appellant's job as being a focal point, where people could come who wanted to find out what was going on in the laboratory and elsewhere (Saxe TR-410,411). Appellant did coordinate and review Government financed development work. Contrary to the impression appellant has tried to



leave, that his experience did not equip him to be much more than a paper mover, Saxe viewed him as having a good technical understanding of the work going on and stated that he would not have recommended appellant for a promotion otherwise (Saxe TR-409). He also acted in a liaison capacity among Government agencies and individuals engaged in work related to appellant's invention (Saxe TR-411,412). It must be presumed that appellant's cooperation with Malgeri was a part of his assigned duties. At least his actions were such as to convince Malgeri of that fact.

A presumption has been established under the Provisions of Executive Order 10096 (1c) (iii) and (iv) that appellant's invention falls within the provisions of paragraph 1(a). Appellant has failed to overcome that presumption.

Hence, Government is entitled to retain all right, title and interest in and to the invention.

/s/DONALD J. QUIGG  
Donald J. Quigg  
Deputy Commissioner  
of Patents and Trademarks



|  |   |                   |
|--|---|-------------------|
| REQUEST FOR DETERMINATION OF INVENTION RIGHTS<br>(AR 276-6)  |   | DATE<br>15 May 84 |
| TO:<br><br>The Judge Advocate General, DA<br>ATTN: Patents Division<br>Washington, D. C. 20310   | FROM: COMMANDER<br>USA Material Development<br>and Readiness Command<br>ATTN: DRGCG-L<br>5001 Eisenhower Avenue<br>Virginia 22xxx |                   |
| 1. GPD CASE No. 10-<br>4201  | 2. NAME OF INVENTOR<br>ROBERT W. HEINEMANN  |                   |
| 3. TITLE OF INVENTION<br>Low Density Indirect Fire Weapon System   |   |                   |
| 4. WAS INVENTION MADE (Check one) <input type="checkbox"/> PRIOR TO <input checked="" type="checkbox"/> SUBSEQUENT TO EXECUTIVE ORDER<br>10096 |   |                   |
| 5. DESCRIPTION OF INVENTION<br>See Attached Sheet (Attachment 1)   |   |                   |
| 6a. PATENT APPLICATION NUMBER<br>4,050,381   | b. DATE APPLICATION WAS FILED<br>12 April 1972  |                   |

## 8. EMPLOYMENT STATUS OF INVENTOR

Physical Scientist GS-13, Ass't to Chief of Laboratory

## 9. RECOMMENDATION

It is recommended that the Government obtain the entire right, title and interest in and to the invention, based upon comments in Attachment 2, which except in the final paragraph thereof, embody comments of witnesses during testimony in *Heinemann vs U.S.*, United States Court of Claims Docket No. 202-79C.

## DEPARTMENT OF THE ARMY DETERMINATION

The inventor is within those categories of employees specified in paragraph 1(c), Executive Order 10096 (*Heinemann TR. 95-98*) thereby creating the presumption that the Government shall obtain the entire right, title and interest in the invention. This presumption has not been rebutted. The invention bears a direct relation to and was made in consequence of the official duties of the inventor (*SAXE TR. 442-443, 455-457*). Accordingly, it is the determination of the Department of the Army that, pursuant to paragraph 1(a), Executive Order 10096, the Government is entitled to an assignment of the entire domestic right, title, and interest in and to the invention.

|                     |  |                  |
|---------------------|--|------------------|
| DATE<br>23 JUL 1984 | TYPED NAME AND TITLE<br>JOHN H. RAUBITSCHKE, Chief Pats.,<br>Copyrights, & Trademarks Division | SIGNATURE<br>/s/ |
|---------------------|--|------------------|

DA FORM 2872  
1 Jan 65



## ATTACHMENT TO DA FORM 2872

The invention relates to a munition system, which can be dropped from aircraft and is capable of scanning the ground for military targets; e.g., tanks and vehicles, and then directionally propelling a projectile at the target when it locates one. The munition system includes a housing, which contains an explosive warhead capable of directionally propelling a projectile, at the target when it locates one. The munition system includes a housing, which contains an explosive warhead capable of directionally propelling a projectile, a directional sensing fuze in alignment with the path of the projectile, and a parachute to retard the descent and induce rotation of the housing at a predetermined rate, whereby the sensing fuze has sufficient time to scan the ground along a spiral path for military targets.

### ATTACH 1

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It is recommended that the Government obtain the entire right, title and interest in and to the invention.

Mr. Heinemann's responsibilities included *coordination* of some of the work of the Laboratory. He personally reviewed proposals of the Sections of the Laboratory to see whether or not there were gaps that were not covered, to make recommendations as to which proposals were to be funded, or where there should be changes made in the proposals, and to pull together the various proposals for the project managers.

Reports coming in from supportive investigating of the program were under his purview. He was to see that the reports made sense, where in the right format, and on time. He was knowledgeable as to what was going on in the Sections of the Laboratory by virtue of these reports. He was invited to weekly reviews of certain programs which were used for purposes of cross-fertilization.

**ATTACHMENT TO DA FORM 2872 CONTINUED**

His ad hoc duties outside the organization called for reviewing abstracts of scientific papers, determining which papers should be selected for presentation, plus all the administrative duties included in setting up a symposium.

Mr. Heinemann was responsible for preparing plans for applied research studies, for serving as a technical clearing house, and for solving various ad hoc problems. He was the focal point or *liaison* for information seekers wanting to know what we were doing in-house on our supporting investigation programs. He was expected to be aware of new developments in Missile Command, Harry Diamond Laboratory, Ft. Monmouth, the Air Force and the Navy so that we could take advantage of their accomplishments.

Two of the key criteria in AR 27-60, paragraph 4-10.c.(3) and (4) specify that the Government should take title when the inventor is employed or assigned to coordinate Government research or development work, or both, or to act in a liaison functions, the Government should obtain the entire right, title and interest to the invention based on the noted AR.

**ATTACH 2**

**APPENDIX K****UNITED STATES CLAIMS COURT REPORTER****Robert W. HEINEMANN****v.****The UNITED STATES.****No. 202-79C.****United States Claims Court.****March 1, 1984.**

Federal employee filed suit seeking relief against United States for an alleged patent infringement. The Court of Claims granted Government's motion to dismiss second of three counts, and subsequently ordered consideration of employee's claim by trial judge be bifurcated. The Claims Court, Colaianni, J., held that: (1) executive order applicable to any invention made by a government employee provides sole avenue for determining rights in inventions made by such employees, and (2) federal employee's assignment of his invention to Government was not knowingly and freely given, as it was based on misinformation supplied by Government, and as result he did not request a formal rights determination under executive order; however, appropriate remedy was not to have Claims Court determine, de novo, respective rights in invention, but, rather, case would be remanded to his employing agency for a final determination, in accordance with executive order, of respective rights of employee and Government in invention.

Proceedings stayed and case remanded.

Wilsie H. Adams, Jr., Washington, D.C., for plaintiff.

Claud A. Daigle, Jr., with whom was Asst. Atty. Gen. J. Paul McGrath, Washington, D.C., for defendant.

**OPINION**

COLAIANNI, Judge.

On May 15, 1979, plaintiff filed the instant suit in the United States Court of Claims, seeking relief against the United States for an alleged patent infringement. Plaintiff asserted three separate grounds for relief. First, he claimed entitlement to damages for patent infringement under 28 U.S.C. § 1498. Second, plaintiff sought damages under 35 U.S.C. § 183 due to the defendant's imposition of a secrecy order on plaintiff's invention from 1966 to 1972 and for the alleged use of the invention during this period. Finally, plaintiff alleged a taking of his invention under the fifth amendment. Defendant moved to dismiss all three claims. On April 16, 1980, the Court of Claims granted defendant's motion as to plaintiff's second count for relief, but denied it as to his first and third. *Heinemann v. United States*, 233 Ct.Cl. 479, 620 F.2d 874 (1980).

Subsequently, on January 30, 1981, the Court of Claims ordered that consideration of plaintiff's claim by the trial judge be bifurcated. *Heinemann v. United States*, 226 Ct.Cl. 622 (1981). Under that order the issues of whether the government was entitled to an assignment of, or a royalty-free license in, the invention were to be considered first, with the infringement claim postponed for later determination. Therefore, the sole issues before this court are those of assignment and royalty-free license. Two preliminary issues, however, concern what standard should be used in determining the invention rights and what body—this court or plaintiff's employing agency—should make that determination. Because the court finds that the determination of invention rights should be made by the agency, and not by this court, under the standards framed by Executive Order 10096, proceedings are suspended pending the agency's final determination and any review by the Commissioner of Patents and Trademarks that the parties may seek.



### **Facts**

Plaintiff's association with Picatinny Arsenal extends back to 1957. In February of that year, he joined Picatinny as a GS-11 general chemist. By 1963, Mr. Heinemann had risen to the position of a GS-13 supervisory physical scientist in charge of the Explosive Devices Unit within the Artillery Ammunition Laboratory.

In mid- to late-1963, Mr. Heinemann decided to leave Picatinny for a higher-grade position in Washington, D.C. Shortly after announcing his resignation, he was approached by Mr. Robert Vogel, the head of Picatinny's Ammunition Development Division. Mr. Vogel asked Mr. Heinemann to stay and assured him of a GS-14 position at Picatinny. Subsequently, Mr. Victor Lindner, the head of the Ammunition Engineering Directorate and Mr. Vogel's direct superior, gave Mr. Heinemann the same assurance, specifically indicating that a position would be found for him in the Warheads and Special Projects (WASP) Laboratory.

The WASP Laboratory was one of several laboratories and branches within the Ammunition Development Division. At this time, the WASP Laboratory was responsible for the research, design, and development of bombs, guided missile warheads, mines, grenades, demolition devices, special warfare munitions, and accessories for those items. The bulk of work in the WASP Laboratory was concentrated in the Selected Ammunition Section. This section was directed to develop improved conventional munitions, specifically concentrating its research and development effort on utilizing the concepts of clustered munitions and controlled fragmentation.<sup>1</sup> Much of the laboratory's work

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<sup>1</sup> A clustered munition is a munition, such as a bomb or missile warhead, that is divided into several submunitions. Each submunition carries its own explosive charge, detonating after the group of submunitions has been dispersed over the target area. Controlled frag-

at this time involved the research and development of anti-armor munitions and the means of incorporating sensors or guidance systems into them.

On November 5, 1963, Mr. Heinemann joined the WASP Laboratory. He had no approved job description. Rather, he received his assignments and job duties from the chief of the WASP Laboratory, Mr. Frederick Saxe. Plaintiff worked directly for Mr. Saxe and within six months of arriving at the laboratory was designated "Assistant to the Chief." On December 26, 1965, an approved job description for plaintiff's position as a GS-13 at the WASP Laboratories finally became effective.<sup>2</sup> That description, in pertinent part, summarized plaintiff's job responsibilities as follows:

To serve as a scientific advisor and consultant to the Chief, Warheads and Special Projects Laboratory, responsible for furnishing expert advice and assistance in the field of physical science and engineering. To develop long and short range plans for accomplishment of laboratory research objectives. To control and coordinate all supporting research functions in conjunction with the Selected Ammunition Program and Aircraft Weaponization Program. To conceive, screen, and formalize proposed tasks and organize these into cohesive well-integrated programs to result in substantial improvements in ammunition now being pro-

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mentation involves designing the munition or its parts to create, upon detonation, metal fragments of previously determined size and shape. Both concepts are directed to improving the effectiveness of munitions, first by spreading their fragments over large areas and second by producing fragments of a size and velocity appropriate for disabling the intended target.

<sup>2</sup> Despite the efforts to establish plaintiff's job as a GS-14 position, plaintiff remained a GS-13 for several years. For purposes of determining whether the government would be entitled to the assignment of, or royalty-free license in, plaintiff's invention, however, plaintiff's grade is irrelevant.

duced and leading to end item development programs in the future. To maintain liaison with research facilities to keep alert of developments in the field of munitions.

In late 1965, Mr. Heinemann conceived and developed the invention that is now the subject of this suit. He drafted an invention disclosure, entitled "Low Density Indirect Fire Weapon System," and submitted it to the Picatinny legal office on January 7, 1966. That invention disclosure described an intelligent munition system incorporating the concept of controlled fragmentation for the defeat of tanks and armored personnel carriers. Plaintiff's disclosure described the munition system as follows:

The approach involves a munition, which drops from the air via a retardation or drag device. It could be dropped from an aerial vehicle or ejected from a missile. The system is shown in the attached schematic drawing. It is composed of the retardation device which may be a parachute, wing or similar drag device (a), an explosive, forward firing warhead (b) and a directional sensor antenna (c) coupled to the warhead, electronics (d) and fuze (e). The drag device, coupling (f) and spin tabs (j) impart a spin and oscillation to the sensor and coupled warhead so that it oscillates through an angle, while it spins and therefore scans an area below it. The warhead is suspended at an angle (i) to the horizontal [sic] so as to cover a larger view area. A glide device such as a wing in lieu of the retardation device could permit it to cover a larger area. The warhead has a forward spray angle (k) controlled by a wave shaper (h) which is matched and directionally oriented with that of the sensor. The directional sensor can be of the passive, semi-active or active type. It responds to the signature of the target, which may be inherent to the target or induced in the target. As the munition descends, pos-

sibly glides, spins and oscillates, the sensor scans an area of land below. If it receives a proper target signature, it immediately initiates the explosive charge and a lethal spray engulfs [sic] the target.

On January 7, 1966, plaintiff executed and forwarded to the Picatinny legal office the three necessary forms for disclosing the invention now at issue. Those forms were: The record of invention (AMC Form 1255), the patent disclosure data sheet (AMSMU Form 78R), and the invention rights questionnaire (DA Form 2871).<sup>3</sup> Plaintiff testified that he requested, through the invention rights questionnaire, a rights determination but none was made.<sup>4</sup>

<sup>3</sup> In WASP Laboratory circular No. 19-10, issued by Mr. Saxe on October 26, 1965, these three forms were described as follows:

*"The Invention rights Questionnaire* is required to determine whether the rights to an invention belong to the inventor, to the Government, or to both. If all rights are to be assigned to the government, as is usually done when an invention is made as a normal out-growth of one's regular work, it is only necessary to complete Paragraph 1 of the form. If the inventor wishes to claim some or all rights, detailed data regarding the circumstances of the invention and its relation to the inventor's employment are required. Some portions must be completed by the inventor's supervisor [sic]. This form must be kept unclassified.

*"The Military Invention Record* is an affidavit stating that a particular invention was made by a specified person or persons, including details of time and place. This form serves primarily as a cover sheet for the detailed description of the invention and *must* be kept unclassified.

*"The Patent Disclosure Data Sheet* is used to provide a detailed description of the invention, along with illustrative sketches. It should provide a complete description of the invention with as many drawings as necessary to explain fully the making and operation of the invention. All essential elements in the drawings should be given reference numerals which relate back to the written description. This completed form will normally have the same security classification as the invention.

<sup>4</sup> When the government reopened plaintiff's case in 1971, the original questionnaire was no longer in plaintiff's file.

Mr. Heinemann's invention, upon disclosure, was classified "secret." At this time, the Frankford Arsenal in Philadelphia processed all patent applications coming out of Picatinny. On May 16, 1967, patent counsel at Frankford found that Mr. Heinemann's disclosure lacked information sufficient to permit him to determine patentability. Counsel stated that the disclosure, although setting forth a concept, failed to provide enough detail "to permit one skilled in the art to make and practice the invention." Counsel requested additional information, but apparently none was given.

On March 13, 1970, plaintiff's invention was again reviewed by the government, this time through the Invention Evaluation Board (IEB) at Picatinny.<sup>5</sup> The IEB initially was reluctant to proceed with plaintiff's invention. In late 1971 or early 1972, however, Dr. A. Victor Erkkila, a patent agent in the Picatinny legal office, was assigned to prepare a patent application for the invention. After several conferences between Dr. Erkkila and Mr. Heinemann, during which Mr. Heinemann explained various aspects of the invention and reviewed Dr. Erkkila's draft, the final application was prepared.

In March 1972, Mr. Heinemann received a call from a secretary at the Picatinny legal office. The secretary told Mr. Heinemann that the patent application for his "Low Density Indirect Fire Munition System" had been prepared and that he should come down to sign it along with an assignment of the invention to the government. Mr. Heinemann challenged the need for an assignment and asked to speak with counsel. The individual with whom he spoke<sup>6</sup> told plaintiff that the assignment was required. Mr. Heinemann testified:

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<sup>5</sup> The IEB was established on April 30, 1968, to review pending invention disclosures at Picatinny. Frankford Arsenal was no longer responsible for Picatinny patent determinations.

<sup>6</sup> Plaintiff is unable to identify either the counsel or the secretary.

I spoke to the individual in the legal office who told me that I was—I asked him why would I have to assign this invention. I was told that this is a military invention. You are working in a military institute and the requirement in this installation is that you must sign an assignment to the invention.

I said, Well, what about invention rights questionnaire, and he responded that an invention rights questionnaire is only applicable to inventions which have commercial capabilities. This was a purely military invention and one which was not commercially oriented and that an assignment was demanded on the invention.

I was not happy with that, and he said, Well, I will send you a document which will show you that you will have to do that and, if you wish, also to give you some Army regulations which you can reference to look up.

\*\*\*\*\*

Based on the conversations I had, I looked at the regulations which were quoted and the documents that they were talking about and everything jived [sic].

Afterwards I got this particular document in the mail, a form. It is basically the record of invention, military record of invention, 00 Form 325, which states in one paragraph the executive order, at least that is what I thought it said. That was the law he was telling me to look at.

Under that particular document I could not retain entire rights in it.

The form plaintiff received from the Picatinny legal office set forth the provisions of Executive Order 10096, but with the significant omission of part (b)(4), which provides for certain circumstances in which "the entire right, title



and interest in and to the invention" may remain with the employee. *See* 37 C.F.R. § 100.6(b), quoted below.

On March 23, 1972, plaintiff signed the Invention Rights Questionnaire along with a standard assignment form releasing to the government "the entire right, title and interest" in his invention, "in consideration of the rights of the Government of the United States acquired by virtue of the circumstances under which the above-entitled invention was made." On April 12, 1972, the Picatinny legal office filed a patent application for plaintiff's invention. Because plaintiff had signed the Invention Rights Questionnaire directly beneath the statement "I DESIRE TO ASSIGN TO THE UNITED STATES GOVERNMENT THE ENTIRE RIGHT, TITLE AND INTEREST IN AND TO THE ABOVE IDENTIFIED INVENTION," the government made no formal determination of his rights.

On March 25, 1974, a secrecy order was issued covering plaintiff's invention. The government rescinded the order on May 2, 1977, however, when it discovered that a device in a French patent was similar to plaintiff's invention and an application for a United States patent on its French counterpart had been filed. This rescission permitted normal prosecution of the patent application for plaintiff's invention to resume.

On September 27, 1977, United States patent No. 4,050,381, now entitled "Low Density Indirect Fire Munition System," issued.

Plaintiff brought the present action on May 15, 1979, to contest the government's right to an assignment of, or license in, his invention. No administrative invention rights determination in accordance with Executive Order 10096 has ever been made.

### Discussion

The court is asked to determine the respective rights of the government and its employee, Mr. Heinemann, in



Mr. Heinemann's invention. Under normal circumstances, this determination would have been made by plaintiff's employing agency in accordance with the standards and procedures of Executive Order 10096, 15 Fed. Reg. 389 (1950). See *Kaplan v. Corcoran*, 545 F.2d 1073 (7th Cir.1976). That order was promulgated on January 23, 1950, and its pertinent sections are codified, with modifications but substantially unchanged, at 37 C.F.R. § 100 (1983). The critical sections of Executive Order 10096, as codified, provide:

§ 100.3 *Scope.*

*This part applies to any invention made by a Government employee on or after January 23, 1950, and to any action taken with respect thereto.*

\* \* \* \* \*

§ 100.6 *Determination of rights in and to inventions.*

(a) Subject to review by the Commissioner as provided for in this part, *each Government agency will determine the respective rights of the Government and of the inventor in and to any invention made by a Government employee while under the administrative jurisdiction of such agency.*

(b) The following rules shall be applied in determining the respective rights of the Government and of the inventor in and to any invention that is subject to the provisions of this part:

(1) The Government shall obtain, except as herein otherwise provided, the entire domestic right, title and interest in and to any invention made by any Government employee: (i) During working hours, or (ii) with a contribution by the Government of facilities, equipment, materials, funds or information, or of time or services of other Government employees on official duty, or (iii) which bears a direct relation to or is

made in consequence of the official duties of the inventor.

(2) In any case where the contribution of the Government, as measured by any one or more of the criteria set forth in paragraph (b)(1) of this section, to the invention is insufficient equitably to justify a requirement of assignment to the Government of the entire domestic right, title, and interest in and to such invention, or in any case where the Government has insufficient interest in an invention to obtain the entire domestic right, title, and interest therein (although the Government could obtain same under paragraph (b)(1) of this section), the Government agency concerned shall leave title to such invention in the employee, subject however, to the reservation to the Government of a nonexclusive, irrevocable, royalty-free license in the invention with power to grant licenses for all governmental purposes, such reservation, in the terms thereof or where applicable in the terms required by 35 U.S.C. 266, to appear, where practicable, in any patent, domestic or foreign, which may issue on such invention.

(3) In applying the provisions of paragraphs (b)(1) and (b)(2) of this section to the facts and circumstances relating to the making of a particular invention, it shall be presumed that an invention made by an employee who is employed or assigned: (i) To invent or improve or perfect any art, machine, design, manufacture, or composition of matter, (ii) to conduct or perform research, development work, or both, (iii) to supervise, direct, coordinate, or review Governmental financed or conducted research, development work, or both, or (iv) to act in a liaison capacity among governmental or non-governmental agencies or individuals engaged in such research or development work, falls within the provisions of paragraph (b)(1) of this section, and it shall be presumed that any invention

made by any other employee falls within the provisions of paragraph (b)(2) of this section. Either presumption may be rebutted by a showing of the facts and circumstances and shall not preclude a determination that these facts and circumstances justify leaving the entire right, title and interest in and to the invention in the Government employee, subject to law.

(4) In any case wherein the Government neither: (i) Obtains the entire domestic right, title and interest in and to an invention pursuant to the provisions of paragraph (b)(1) of this section nor (ii) reserves a non-exclusive, irrevocable, royalty-free license in the invention, with power to grant licenses for all governmental purposes, pursuant to the provisions of paragraph (b)(2) of this section, the Government shall leave the entire right, title and interest in and to the invention in the Government employee, subject to law.

Emphasis added.

Plaintiff asks this court to find that Executive Order 10096 does not apply to judicial proceedings and therefore the government's rights to the invention at issue should rest solely on the common law. Plaintiff argues:

Executive Order 10096 \* \* \* is directed only toward establishing a uniform patent policy for all federal agencies within the Executive Branch.

\* \* \* \* \*

[A] chief purpose of Executive Order 10096 is to expedite the processing of patent applications by the federal agencies so as to obtain the maximum rights in an invention for the Government \* \*

\* \* \* \* \*

Thus, Executive Order 10096 is intended to provide the administrative mechanism necessary for expediting the processing of employee invention disclosures

within the Executive Branch. As such, its application is limited to the Executive Branch and the judiciary is to play no role in its implementation

The court agrees that Executive Order 10096 is clearly meant to establish and maintain uniformity in this field. As the order states, its "purpose \*\*\* is to provide for the *administration of a uniform patent policy* for the Government with respect to the domestic rights in inventions made by Government employees *and to prescribe rules and regulations for implementing and effectuating such policy.*" 37 C.F.R. § 100.1 (emphasis added). To provide government employees with the choice of pursuing rights determinations either through their agencies or through this court, and to apply the separate standards of the executive order or the common law according to which forum they choose, would frustrate that purpose of the Executive Order and destroy whatever uniformity now exists. As the United States Court of Appeals for the Seventh Circuit noted, the order is "controlling in the [determination of the] status of \*\*\* [the government employee's] invention vis-a-vis government patent rights." *Kaplan v. Corcoran*, 545 F.2d at 1077. By its terms, the order "applies to any invention made by a Government employee." Therefore, the court finds that Executive Order 10096 provides the sole avenue for determining rights in inventions made by government employees. In addition, that determination is to be made by the employing agency, subject to review by the Commissioner of Patents and Trademarks. 37 C.F.R. §§ 100.5-6.

Although § 100.6, the operative section for determining rights in an invention, does state guidelines for each governmental agency to follow when making that determination, in the present case no formal agency determination was made because plaintiff filed concurrently with his invention disclosure an invention rights questionnaire in which he voluntarily agreed to assign title to the govern-

ment. That assignment, however, was based on misinformation supplied to Mr. Heinemann by the government. Mr. Heinemann testified that he was misled by his conversations with counsel from the Picatinny legal office and by the incomplete copy of Executive Order 10096 counsel provided.

Under these circumstances, the assignment could not have been knowingly and freely given. Had he not been misled, plaintiff would have requested a formal rights determination. The appropriate remedy, however, is not to circumvent the clear procedures established by the order and have this court determine, *de novo*, the respective rights in plaintiff's invention. That a formal agency determination was not made is unfortunate but hardly irremediable.

It is therefore ordered, pursuant to RUSCC 60.1(a), that this case is remanded to Picatinny Arsenal for a final determination, in accordance with Executive Order 10096, of the respective rights of plaintiff and the government in plaintiff's invention. Proceedings in this court will be suspended for six months pending that final determination and pending any subsequent review by the Commissioner of Patents and Trademarks that either party may seek.

Counsel for defendant will, pursuant to RUSCC 60.1(5), report to the court the status of the proceedings at intervals of 60 days, beginning May 1, 1984.

**APPENDIX L**

**IN THE UNITED STATES COURT OF CLAIMS**

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**No. 202-79c**

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**ROBERT W. HEINEMANN**  
**v.**  
**THE UNITED STATES**

**Patent infringement; joint motion for separate trials**

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*Wilsie H. Adams, Jr.*, attorney of record, for plaintiff.  
*Janis A. Cherry, David A. Churchill, and Sellers, Conner & Cuneo*, of counsel.

*Claud A. Daigle, Jr.*, with whom was Assistant Attorney General *Alice Daniel*, for defendant, *Vito J. DiPietro*, of counsel.

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Before DAVIS, *Judge*, Presiding, KASHIWA and SMITH, Judges.

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**ORDER**

This patent infringement suit<sup>1</sup> is before the court on plaintiff's motion for partial summary judgment. Plaintiff has filed in connection with this motion a request for deferred review of an order entered by Trial Judge Joseph

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<sup>1</sup> This case was previously before the court on defendant's motion to dismiss. *Heinemann v. United States*, 223 Ct. Cl. \_\_\_\_\_, 620 F.2d 874 (1980).



V. Colaianni on July 24, 1980, which order denied the parties' joint motion for separate trials. Pursuant to Rule 131(b), plaintiff and defendant moved for a separate trial in order to resolve initially the contested ownership issue and to consider defendant's allegation that it is entitled to a royalty free license to practice the invention if plaintiff is adjudged to be the owner of the patent. The outcome of this trial would thereby determine whether a trial for the alleged infringement would be necessary since plaintiff could only pursue the matter if he is the owner of the patented invention and if defendant has not acquired the royalty free license. The parties stated in the joint motion that both the court and the parties would save a substantial amount of time, money, and effort if the ownership and license issues were tried separately from the infringement issue. After conferring with the parties, the trial judge concluded that the possibility of piecemeal litigation precluded him from granting their joint motion. Although he recognized that time may ultimately be saved by ordering separate trials, the trial judge was concerned that it could conceivably take three trials to settle this controversy. If, in the first trial, it should be determined that plaintiff was the owner of the patent and that defendant had not received a license, the infringement issue would therefore need to be tried. If plaintiff should be successful on the infringement issue, the case would be returned for the third time to the trial division for an accounting trial. Although we can appreciate these concerns expressed by the trial judge as the result of his conference with the parties, our perusal of the briefs which were submitted subsequently by the parties in support of their position leads us to find that a separate trial on the ownership and license issues is appropriate.

Courts have long permitted separate trials of issues which are clearly separable in patent controversies, especially when determination of a single issue could be dispositive of the entire case and thereby eliminate the



need for a subsequent trial. See *Ludlow Corp. v. Textile Rubber & Chemical Co.*, 77 F.R.D. 752 (N.D. Ga. 1978); *Cataphote Corp. v. DeSoto Chemical Coatings, Inc.*, 235 F. Supp. 931 (N.D. Cal. 1964); *Woburn Degreasing Co. v. Spencer Kellogg & Sons, Inc.*, 37 F. Supp. 311 (W.D. N.Y. 1941). This court may order separate trials under Rule 131 when conducive to expedition or economy. In this suit, plaintiff is contesting the validity of his patent assignment to the defendant and argues that he was not given proper information concerning this rights, as a Government employee, to the invention. Defendant maintains that the assignment was properly executed and, even absent this assignment, the Government is nevertheless entitled to a nonexclusive royalty free license to practice the invention. Since the parties' dispute could be resolved by a trial solely on the issues of ownership and license and without presenting any evidence as to the alleged infringement, we think the parties' joint motion is justified. Both parties point to the considerable savings in time which could result if separate trials are ordered. We think that the parties are in a better position than the court to estimate the length of time needed to try the infringement issue, and we therefore agree that considerable time and effort may indeed be saved if the first trial disposes of the case. Moreover, plaintiff points out that if he should prevail on the first issue, the prospects for a negotiated settlement would appear good at that point.

IT IS THEREFORE ORDERED that the trial judge's order of July 24, 1980, is reversed and vacated. The parties' joint motion for separate trials is granted. Since plaintiff's motion for partial summary judgment relates to the infringement issue which will be tried separately, we deny without prejudice plaintiff's motion for partial summary judgment.

BY THE COURT  
/s/ OSCAR H. DAVIS  
Oscar H. Davis  
Judge, Presiding

Jan 30, 1981

**APPENDIX M**  
**IN THE UNITED STATES COURT OF CLAIMS**  
**No. 202-79C**  
**(Decided April 16, 1980)**

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**ROBERT W. HEINEMANN**  
**v. THE UNITED STATES**

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*Wilsie H. Adams, Jr.*, attorney of record, for plaintiff.  
*Janis A. Cherry and Sellers, Conner & Cuneo*, of counsel.

*Claud A. Daigle, Jr.*, with whom was Assistant attorney  
General *Alice Daniel*, for defendant. *Vito J. DiPietro*, of  
counsel.

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Before Friedman, *Chief Judge*, Nichols and Smith,  
*Judges.*

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On Defendant's Motion To Dismiss

SMITH, *Judge*, delivered the opinion of the court:

This case involving a patented invention is before the court on defendant's motion to dismiss for lack of subject matter jurisdiction and for failure to state a claim for which relief can be granted. Three causes of action are set forth in plaintiff's petition: patent infringement (count I); damages caused by reason of a secrecy order imposed with respect to the application for a patent for the invention and by reason of defendant's alleged use of the patented invention (count II); and a taking under the fifth

amendment (count III). In determining whether to grant defendant's motion, we have assumed that the facts underlying the case are as alleged by plaintiff. For the reasons discussed below and without oral argument, we deny defendant's motion as to counts I and III; and we grant defendant's motion as to count II.

When plaintiff filed the petition in this case on May 15, 1979, he was, and had been since 1957, employed by defendant at the Picatinny Arsenal in New Jersey. In late 1965, he invented a "low density indirect fire munition system." He alleges that he created the invention at home during his non-work hours, that he used no Government property to create the invention, and that his Government work involved matters unrelated to the invention. In January 1966, he submitted an invention disclosure, an invention rights questionnaire, and a military invention record to officials affiliated with the Picatinny Arsenal. No one at the arsenal or anyone else representing defendant made a determination of plaintiff's rights to or interest in the invention.

In March 1972, defendant demanded of plaintiff that he assign the invention to defendant. According to plaintiff, an attorney affiliated with the legal office of the Picatinny Arsenal made the demand in a telephone conversation between the attorney and plaintiff. In the conversation, plaintiff alleges, the attorney told him erroneously that the law required him to make the assignment. As support for his erroneous view that the law required plaintiff to make the assignment, the attorney cited to plaintiff certain official Army documents the contents of which plaintiff alleges to have been inaccurate. According to plaintiff, the same attorney sent to him an official Army document which purported to quote the law governing a federal employee's rights in his invention, but which quotation omitted a part of the law which would have revealed to plaintiff that he was entitled to retain all rights in the invention.

Allegedly relying on the legal opinion expressed by the attorney and on the documents which the attorney mentioned or sent to him, plaintiff assigned his invention to defendant on March 23, 1972. Defendant filed a patent application for the invention in April 1972. In August 1972, defendant recorded the assignment at the United States Patent and Trademark Office. In April 1974, the patent application was placed under a secrecy order. Eventually the order was lifted and, on September 27, 1977, United States Patent No. 4,050,381 (the '381 patent), covering plaintiff's invention, was issued to defendant.<sup>1</sup>

In count I of the petition, plaintiff invokes the jurisdiction of the court under 28 U.S.C. § 1498(a) (1976). Section 1498(a) reads in relevant part:

(a)Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the *owner* thereof or lawful right to use or manufacture the same, the *owner's* remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture. [Emphasis supplied.]

Defendant contends that "owner" as used in the statute means merely the holder of record title to the allegedly infringed patent. Thus, according to defendant, section 1498(a) grants to the court jurisdiction of a patent infringement claim against the United States only if the claim is made by the holder of record title to the allegedly infringed patent.<sup>2</sup>; In the instant case, plaintiff is not and

<sup>1</sup> According to plaintiff, the invention has been manufactured and used by or for defendant from the time of his disclosure of it in 1966.

<sup>2</sup> In other words, defendant argues that the United States, as sovereign, has not consented to be sued for patent infringement by anyone except the holder of record title.

has never been the holder of record title to the '381 patent. This distinction has rested, from the time of issuance of the patent to the present, on defendant. Thus, defendant argues, the court lacks jurisdiction to entertain count I of plaintiff's petition.

Nothing in the text of section 1498(a) limits the meaning of "owner" to holder of record title. Nothing in the legislative history of the section indicates that Congress intended "owner" to have such a limited meaning.<sup>3</sup> No case of this court has construed "owner" to have such a limited meaning.<sup>4</sup> In fact, no case of this court has dealt specifically with the issue.<sup>5</sup>

We hold that "owner" as used in section 1498(a) does not mean merely the holder of record title to the allegedly infringed patent. At a minimum, it refers to the person

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<sup>3</sup> See H.R., Rep. No. 1726, 82d Cong., 2d Sess. (1952), reprinted in [1952] U.S. Code Cong. & Ad. News 2322.

<sup>4</sup> See, e.g., *Dorr-Oliver, Inc. v. United States*, 193 Ct. Cl. 187, 432 F.2d 447 (1970).

<sup>5</sup> We note, however, our order in *Bates v. United States*, 214 Ct. Cl. 832 (1977). The plaintiff in that case was not the holder of record title to the allegedly infringed patent. Prior to the issuance of the patent, he had assigned his "entire right, title and interest" in the application for the patent to an attorney. *Id.* at 833. The assignment was recorded at the United States Patent and Trademark Office.

Even though plaintiff was not holder of record title to the patent, plaintiff argued that he owned the patent because he and the attorney had intended the assignment merely to convey a security interest in the patent. Having moved for *summary judgement*, defendant argued, apparently, (1) that the assignment was not a mere security device, but was a conveyance of plaintiff's entire interest in the patent; and (2) that, therefore, plaintiff did not own, even equitably, the patent. Denying defendant's motion, we remanded the case to the trial division for a determination of the meaning of the assignment and of who owned the patent. Thus, in *Bates*, we exercised "subject matter jurisdiction even though the plaintiff was not the holder of record title to the allegedly infringed patent.



equitably entitled to the rights in the patent. In short, "owner" includes the equitable owner of the patent.

Plaintiff argues, in effect, that he is the equitable owner of the '381 patent. The linchpin of this argument is his assertion that his assignment of the '381 invention to defendant must be set aside by this court. That we have equitable power to set aside an assignment where our exercise of such power is incidental to a determination of a plaintiff's entitlement to a money judgment for patent infringement cannot be gain-said.<sup>6</sup> In the instant case, plaintiff alleges facts which, when fleshed out, might provide equitable grounds for our setting aside the assignment<sup>7</sup> and for regarding plaintiff as the owner of the '381 patent. Thus, as to count I of the petition, we deny defendant's motion to dismiss for lack of subject matter jurisdiction and for failure to state a claim for which relief can be granted.<sup>8</sup>

Count II of plaintiff's petition is a claim under 35 U.S.C. § 183 (1976). Defendant seeks dismissal of count II on the basis of the following language in section 183:

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<sup>6</sup> See *Pauley Petroleum Inc. v. United States*, 219 Ct. Cl. \_\_\_\_\_, 591 F.2d 1308, cert. denied, 48 U.S.L.W. 3241 (1979).

<sup>7</sup> Such grounds might be mistake or undue influence. See 6A C.J.S. *Assignments* § 58 (1975).

<sup>8</sup> Defendant attacks our jurisdiction on one other ground. It argues, in boilerplate fashion, that plaintiff's claim in count I is really a claim for damages for the tort of negligent misrepresentation. To make this argument, defendant blinds itself to the obvious. Plaintiff's count I is a claim for reasonable and entire compensation for defendant's alleged infringement of the '381 patent through unauthorized use and manufacture of the '381 invention. The fact that tortious conduct on the part of defendant might have preceded and given rise to the alleged infringement does not vitiate the power of this court under 28 U.S.C. § 1498(a) (1976) to determine whether there has been an infringement. See generally *Eastport S.S. Corp. v. United States*, 178 Ct. Cl. 599, 372 F.2d 1002 (1967).



\* \* \*This section shall not confer a right of action on anyone or his successors, assigns, or legal representatives who, while in the full-time employment or service of the United States, discovered, invented, or developed the invention on which the claim is based.

Because plaintiff was a full-time employee of the United States at the time he created the '381 invention, defendant contends that he has no right of action under section 183.

Plaintiff appears to acknowledge that the quoted language of section 183 would deprive him of a right of action under the section unless we construe—in effect, modify—the quoted language by reading into it the following language from 28 U.S.C. § 1498(a)(1976):

A Government employee shall have the right to bring suit against the Government under this section except where he was in a position to order, influence, or induce use of the invention by the Government. This section shall not confer a right of action on any patentee or any assignee of such patentee with respect to any invention discovered or invented by a person while in the employment or service of the United States, where the invention was related to the official functions of the employee, in cases in which such functions included research and development, or in the making of which Government time, materials or facilities were used.<sup>9</sup>

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<sup>9</sup> The quoted language became part of section 1498 pursuant to an amendment of the section enacted on July 17, 1952. Prior to the amendment, the section provided in pertinent part:

"This section shall not confer a right of action on any patentee who, when he makes such a claim, is in the employment or service of the United States, or any assignee of such patentee, and shall not apply to any device discovered or invented by an employee during the time of such employment or service."

This language was still part of the section when, on February 1, 1952,

Plaintiff argues that this language should be read into section 183 because, according to plaintiff, Congress intended the class of persons to whom section 183 grants a right of action to be coextensive with the class of persons covered by the jurisdictional grant of section 1498(a).<sup>10</sup>

We find no warrant in the legislative histories of section 183 and of section 1498(a)<sup>11</sup> for modifying the quoted language of section 183 in the manner urged by plaintiff. Construing the quoted language to mean what it appears to say, we hold that plaintiff has no cause of action under section 183 because he was a full-time federal employee at the time he created the '381 invention. Thus, as to

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section 183 was enacted as part of the Invention Secrecy Act of 1951, Pub. L. No. 82-256, § 3, 66 Stat. 4 (1952).

<sup>10</sup> In essence, plaintiff argues the following syllogism: (1) When Congress enacted section 183, Congress intended the language of the section regarding federal employees to be coextensive in coverage with the counterpart language of section 1498(a). From the time of enactment of section 183 to the time of the July 17, 1952, amendment of section 1498(a), their coverages were coextensive. (2) On July 17, 1952, Congress amended section 1498(a) to permit certain full-time federal employees to bring an action against the United States. (3) Therefore, Congress must have intended that the meaning of the section 183 language regarding federal employees be viewed as having changed so as to conform to the meaning of the amended language of section 1498(a).

The syllogism is unconvincing for several reasons. First, the accuracy of premise (1) is questionable. Second, what Congress intended on July 17, 1952, might have been different from what it had intended at the time section 183 was enacted. Third, Congress, not the courts, must legislate the intention of Congress. Fourth, Congress has not chosen to conform by amendment the section 183 language regarding federal employees to the amended language of section 1498(a). Fifth, 2 days *after* it amended section 1498(a), Congress, having codified the section 183 language regarding federal employees in title 35 of the United States Code, enacted title 35 into positive law.

<sup>11</sup> See S. Rep. No. 1001, 82d Cong., 1st Sess. (1951); H.R. Rep. No. 1028, 82d Cong., 1st Sess. (1951); and note 3, *supra*.

count II of the petition, we grant defendant's motion to dismiss.

Count III of plaintiff's petition is a fifth amendment taking claim. Defendant seeks dismissal of count III on the grounds that it has always maintained that it is entitled at least to a royalty-free license in the '381 invention and that its use of the invention has been authorized by plaintiff's "voluntary" assignment of the invention to it. Defendant maintains that its use of the invention under these circumstances is inconsistent with a taking under the fifth amendment and would preclude our finding such a taking.

We disagree. Defendant's argument is premised on the ancient claim of right doctrine. This doctrine arose from and is applicable to the contract-based jurisdiction of the court. The gist of the doctrine is that no implied promise by the United States to pay compensation for its taking possession of or for its using property can be found where it is acting under a claim of right to possess or to use the property. Here, however, plaintiff is not alleging that an implied promise or contract is the source of defendant's obligation to compensate him for its having used the '381 invention. Plaintiff's claim is that the *fifth amendment* obligates defendant to pay him compensation and that the amendment attaches this obligation to defendant whether or not defendant has intended to take or has believed that it is taking property belonging to another. That a taking without just compensation of property belonging to another is a taking under the fifth amendment whether or not the United States intends to take or believes that it is taking property belonging to another is a proposition which has been affirmed by this court.<sup>12</sup>

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<sup>12</sup> *Sioux Tribe of Indians of the Lower Brule Reservation, South Dakota v. United States*, 161 Ct. Cl. 413, 416, 315 F.2d 378, 379, cert. denied, 375 U.S. 825 (1963).

Of course, in order to find that the '381 patent belongs to plaintiff, we must find that his assignment of the '381 invention to defendant is void. But this is precisely what plaintiff is arguing. He is arguing that the assignment was not voluntarily made because it was the product of mistake and undue influence. If he is correct, he might be the equitable owner of the '381 patent; if he is, defendant's use of the '381 invention would constitute a taking under the fifth amendment.<sup>13</sup> Thus, as to count III of the petition, we deny defendant's motion to dismiss.<sup>14</sup>

Defendant's motion to dismiss is denied as to counts I and III of the petition; it is granted as to count II of the petition and this count is hereby dismissed; and the case is remanded to the trial division for further proceedings consistent with this opinion.

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<sup>13</sup> See generally *Jacobs v. United States*, 290 U.S. 13, 16 (1933); *Bourgeois v. United States*, 212 Ct. Cl. 32, 545 F.2d 727 (1976); *West Va. Pulp & Paper Co. v. United States*, 124 Ct. Cl. 292, 109 F. Supp. 724 (1953); *Foster v. United States*, 120 Ct. Cl. 93, 98, 98 F. Supp. 349, 351 (1951), *cert. denied*, 342 U.S. 919 (1952).

<sup>14</sup> In a footnote in its reply brief, defendant argues that, if there has been a taking, it occurred when plaintiff assigned the '381 invention to defendant; and, therefore, that a cause of action based on such a taking would be barred by 28 U.S.C. § 2501 (1970), the 6-year statute of limitations. If plaintiff is correct, however, the assignment was void and defendant took nothing thereby. Moreover, plaintiff's taking claim is for defendant's use of the '381 invention, which use plaintiff alleges to be continuing to the present time. Thus, the statute of limitations does not appear to be a complete bar to count III of the petition.

**APPENDIX N****EXECUTIVE ORDER 10096****January 23, 1950****PROVIDING FOR A UNIFORM PATENT POLICY  
FOR THE GOVERNMENT  
WITH RESPECT TO INVENTIONS MADE BY  
GOVERNMENT EMPLOYEES  
AND FOR THE ADMINISTRATION OF SUCH  
POLICY**

WHEREAS inventive advances in scientific and technological fields frequently result from governmental activities carried on by Government employees; and

WHEREAS the Government of the United States is expending large sums of money annually for the conduct of these activities; and

WHEREAS these advances constitute a vast national resource; and

WHEREAS it is fitting and proper that the inventive product of functions of the government, carried out by Government employees, should be available to the Government; and

WHEREAS the rights of Government employees in their inventions should be recognized in appropriate instances; and

WHEREAS the carrying out of the policy of this order requires appropriate administrative arrangements:

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States and Commander in Chief of the armed forces of the United States, in the interest of the establishment and operation of a uniform patent policy for the Government with respect to inventions made by Government employees, it is hereby ordered as follows:

1. The following basic policy is established for all Government agencies with respect to inventions hereafter made by any Government employee:

(a) The Government shall obtain the entire right, title and interest in and to all inventions made by any Government employee (1) during working hours, or (2) with a contribution by the Government of facilities, equipment, materials, funds, or information, or of time or services of other Government employees on official duty, or (3) which bear a direct relation to or are made in consequence of the official duties of the inventor.

(b) In any case where the contribution of the Government, as measured by any one or more of the criteria set forth in paragraph (a) last above, to the invention is insufficient equitably to justify a requirement of assignment to the Government of the entire right, title and interest to such invention, or in any case where the Government has insufficient interest in an invention to obtain entire right, title and interest therein (although the Government could obtain same under paragraph (a), (above), the Government agency concerned, subject to the approval of the Chairman of the Government Patents Board (provided for in paragraph 3 of this order and hereinafter referred to as the Chairman), shall leave title to such invention in the employee, subject, however, to the reservation to the Government of a non-exclusive, irrevocable, royalty-free license in the invention with power to grant licenses for all governmental purposes, such reservation, in the terms thereof, to appear, where practicable, in any patent, domestic or foreign, which may issue on such invention.

(c) In applying the provisions of paragraphs (a) and (b), above, to the facts and circumstances relating to the making of any particular invention, it shall be presumed that an invention made by an employee who is employed or assigned (i) to invent or improve or perfect any art, ma-



chine, manufacture, or composition of matter, (ii) to conduct or perform research, development work, or both, (iii) to supervise, direct, coordinate, or review Government financed or conducted research, development work, or both, or (iv) to act in a liaison capacity among governmental or non-governmental agencies or individuals engaged in such work, or made by an employee included within any other category of employees specified by regulations issued pursuant to section 4 (b) hereof, falls within the provisions of paragraph (a), above, and it shall be presumed that any invention made by any other employee falls within the provisions of paragraph (b), above. Either presumption may be rebutted by the facts or circumstances attendant upon the conditions under which any particular invention is made and, notwithstanding the foregoing, shall not preclude a determination that the invention falls within the provisions of paragraph (d) next below.

(d) In any case wherein the Government neither (1) pursuant to the provision of paragraph (a) above, obtains entire right, title and interest in and to an invention nor (2) pursuant to the provisions of paragraph (b) above, reserves a nonexclusive, irrevocable, royalty-free license in the invention with power to grant licenses for all governmental purposes, the government shall leave the entire right, title and interest in and to the invention in the Government employee, subject to law.

(e) Actions taken, and rights acquired, under the foregoing provisions of this section, shall be reported to the Chairman in accordance with procedures established by him.

2. Subject to considerations of national security, or public health, safety or welfare, the following basic policy is established for the collection, and dissemination to the public, of information concerning inventions resulting from Government research and development activities:



(a) When an invention is made under circumstances defined in paragraph 1(a) of this order giving the United States the right to title thereto, the Government agency concerned shall either prepare and file an application for patent therefor in the United States Patent Office or make a full disclosure of the invention promptly to the Chairman, who may, if he determines the Government interest so requires, cause application for patent to be filed or cause the invention to be fully disclosed by publication thereof: *Provided, however, That, consistent with present practice of the Department of Agriculture, no application for patent shall, without the approval of the Secretary of Agriculture, be filed in respect of any variety of plant invented by any employee of that Department.*

(b) Under arrangements made and policies adopted by the Chairman, all inventions or rights therein, including licenses, owned or controlled by the United States or any Government agency shall be indexed, and copies, summaries, analyses and abstracts thereof shall be maintained and made available to all Government agencies and to public libraries, universities, trade associations, scientists and scientific groups, industrial and commercial organizations, and all other interested groups of persons.

3. (a) A Government Patents Board is established consisting of a Chairman of the Government Patents Board, who shall be appointed by the President, and of one representative from each of the following:

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|----------------------------|--|
| Department of Agriculture  | Department of Defense                          |
| Department of Commerce     | Civil Service Commission                       |
| Department of the Interior | Federal Security Agency                        |
| Department of Justice      | National Advisory Committee<br>for Aeronautics |
| Department of State        | General Services Administration                |

Each such representative, together with an alternate, shall be designated by the head of the agency concerned.

(b) The Government Patents Board shall advise and confer with the Chairman concerning the operation of those aspects of the Government's patent policy which are affected by the provisions of this order or of Executive Order No. 9865, and suggest modifications or improvements where necessary.

(c) Consonant with law, the agencies referred to in paragraph 3(a) hereof shall as may be necessary for the purpose of effectuating this order furnish assistance to the Board in accordance with section 214 of the Independent Offices Appropriation Act, 1946, 59 Stat. 134, 31 U.S.C. 691. The Department of Commerce shall provide necessary office accommodations and facilities for the use of the Board and the Chairman.

(d) The Chairman shall establish such committees and other working groups as may be required to advise or assist him in the performance of any of his functions.

(e) The Chairman of the Government Patents Board and the Chairman of the Interdepartmental Committee on Scientific Research and Development (provided for by Executive Order No. 9912 of December 24, 1947) shall establish and maintain such mutual consultation as will effect the proper coordination of affairs of common concern.

4. With a view to obtaining uniform application of the policies set out in this order and uniform operations thereunder, the Chairman is authorized and directed:

(a) To consult and advise with Government agencies concerning the application and operation of the policies outlined herein;

(b) After consultation with the Government Patents Board, to formulate and submit to the President for approval such proposed rules and regulations as may be necessary or desirable to implement and effectuate the

aforesaid policies, together with the recommendations of the Government Patents Board thereon;

(c) To submit annually a report to the President concerning the operation of such policies, and from time to time such recommendations for modification thereof as may be deemed desirable;

(d) To determine with finality any controversies or disputes between any Government agency and its employees, to the extent submitted by any party to the dispute, concerning the ownership of inventions made by such employees or rights therein; and

(e) To perform such other or further functions or duties as may from time to time be prescribed by the President or by statute.

5. The functions and duties of the Secretary of Commerce and the Department of Commerce under the provisions of Executive Order No. 9865 of June 14, 1947 are hereby transferred to the Chairman and the whole or any part of such functions and duties may be delegated by him to any Government agency or officer: *Provided*, That said Executive Order No. 9865 shall not be deemed to be amended or affected by any provision of this Executive Order other than this paragraph 5.

6. Each Government agency shall take all steps appropriate to effectuate this order, including the promulgation of necessary regulations which shall not be inconsistent with this order or with regulations issued pursuant to paragraph 4 (b) hereof.

7. As used in this Executive Order, the next stated terms, in singular and plural, are defined as follows for the purposes hereof:

(a) "Government agency" includes any executive department and any independent commission, board, office,

agency, authority, or other establishment of the Executive Branch of the Government of the United States (including any such independent regulatory commission or board, any such wholly-owned corporation, and the Smithsonian Institution), but excludes the Atomic Energy Commission.

(b) "Government employee" includes any officer or employee, civilian or military, of any Government agency, except such part-time consultants or employees as may be excluded by regulations promulgated pursuant to paragraph 4 (b) hereof.

(c) "Invention" includes any art, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the patent laws of the United States.

/s/ HARRY S. TRUMAN  
HARRY S. TRUMAN

THE WHITE HOUSE  
January 23, 1950

**APPENDIX O****EXECUTIVE ORDER 10930****March 24, 1961****ABOLISHING THE GOVERNMENT PATENTS  
BOARD AND PROVIDING FOR THE  
PERFORMANCE OF ITS FUNCTIONS**

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. The Government Patents Board, established by section 3(a) of Executive Order No. 10096 of January 23, 1950, and all positions established thereunder or pursuant thereto are hereby abolished.

SECTION 2. All functions of the Government Patents Board and of the Chairman thereof under the said Executive Order No. 10096, except the functions of conference and consultation between the Board and the Chairman, are hereby transferred to the Secretary of Commerce, who may provide for the performance of such transferred functions by such officer, employee, or agency of the Department of Commerce as he may designate.

SECTION 3. The Secretary of Commerce shall make such provision as may be necessary and consonant with law for the disposition or transfer of property, personnel, records, and funds of the Government Patents Board.

SECTION 4. Except to the extent that they may be inconsistent with this order, all determinations, regulations, rules, rulings, orders, and other actions made or issued by the Government Patents Board, or by any Government agency with respect to any function transferred by this order, shall continue in full force and effect until amended, modified, or revoked by appropriate authority.

SECTION 5. Subsections (a) and (c) of section 3 of Executive Order No. 10096 are hereby revoked, and all other

provisions of that order are hereby amended to the extent that they are inconsistent with the provisions of this order.

JOHN F. KENNEDY

THE WHITE HOUSE

March 24, 1961



